



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT

NATIONAL ASSEMBLY

THE HANSARD

5th March 2026

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THE HANSARD

Thursday, 5th March 2026

The House met at 2.30 p.m.

[The Speaker (Hon. Moses Wetang'ula) in the Chair]

PRAYERS

QUORUM

Hon. Speaker: Serjeant-at-Arms, ring the Quorum Bell.

(The Quorum Bell was rung)

Hon. Members, we now have a quorum to transact business.

ADMINISTRATION OF OATH

Members on their feet, take your seats. We will have a procession for your new colleague. Proceed.

*(Mr Tubi Mohamed Tubi was escorted into the Chamber
by Hon. Japhet Nyakundi and Hon. Mumina Bonaya)*

(Applause)

Hon. Japheth Nyakundi (Kitutu Chache North, UDA): Hon. Speaker, I present to you Hon. Tubi Mohamed Tubi, Member of Parliament-elect for Isiolo South Constituency.

Hon. Speaker: Are you a Muslim or a Christian?

Mr Tubi Mohamed Tubi: I am a Muslim.

Hon. Speaker: Take this in your right hand, raise it and recite that Oath.

The Oath of Office was administered to Hon. Tubi Mohamed Tubi.

(Applause)

Hon. Speaker: Congratulations.

Hon. Tubi Mohamed Tubi (Isiolo South, UDA): Thank you very much, Hon. Speaker.

(Applause)

You may now proceed to sign your Oath of Office.

(Hon. Tubi Mohamed Tubi signed the Oath)

(Hon. Duncan Mathenge stood along the walkway)

Keep the walkway free for the new Member, Hon. Mathenge.

*(The Clerk-at-the-Table handed Hon. Tubi Mohamed
Tubi with a bundle of documents)*

Those are the instruments with which you will be working for the people who elected you, this House and the Republic of Kenya.

(Applause)

Hon. Speaker: Thank you and congratulations once again, Hon. Tubi. Before I call the next Order, Hon. Members, we have in the Speaker's Gallery Senior Chief Koinange Girls School from Kiambaa Constituency, Kiambu County. In the Public Gallery, we have Garden Estate Senior Girls School from Roysambu Constituency, Nairobi County, and Gilgil Town Senior School from Gilgil Constituency, Nakuru County. On my behalf and on behalf of the House, I welcome the students, their teachers, and those accompanying them to the House of Parliament.

Next Order.

*(Hon. Makali Mulu and several Members
consulted along the gangways)*

Hon. Members on their feet, take your seats. Hon. Makali Mulu, take your seat.

PETITION

MANAGEMENT OF HAEMOPHILIA AND OTHER BLEEDING DISORDERS IN THE COUNTRY

Hon. Members, I have a Petition to convey regarding the management of haemophilia and other bleeding disorders among patients and children in the country. Article 119 of the Constitution accords any person the right to petition Parliament to consider any matter within its authority. Further, Standing Order 225(2)(b) requires the Speaker to report to the House any Petition other than those presented by a Member.

Hon. Members, in this regard, I wish to report to the House that my Office has received a petition from James Kago of Identification Card No. 233xxxx94, Treasurer for the Haemophilia Association, that deals with the management of haemophilia and other bleeding disorders among patients and children in the country.

The Petitioner states that the right to health is a fundamental human right guaranteed under Article 43(1)(a) of the Constitution of Kenya, which provides that every person, including children, has the right to the highest attainable standard of health, including access to health care services.

THAT, the Petitioner is concerned that children and adults living with haemophilia experience frequent, unpredictable, and sometimes life-threatening bleeding episodes, which significantly diminish their quality of life and may result in disabling joint disease, chronic pain, missed school or work, and reduced life expectancy.

THAT, the Petitioner explains that the treatment and management of haemophilia, especially for children who require preventive therapy (prophylaxis), are

extremely costly, specialised and time-consuming, leading to severe physical, financial, emotional and psychological strain on families and caregivers.

THAT, Petitioner avers that haemophilia affects approximately one in every 10,000 individuals, and of an estimated 4,500 patients in Kenya, including a substantial number of children, and only 1,265, equivalent to 23 per cent, have been identified, demonstrating an urgent need for continuous nationwide screening, early detection and child-focused outreach.

THAT, the Petitioner further explains that the existing data on haemophilia and bleeding disorders, and in particular among children, is fragmented, uncoordinated and incomplete, necessitating the establishment of a national patient registry that captures accurate demographic, diagnostic and treatment information to support planning and service delivery.

THAT, the Petitioner states that donations of clotting factor concentrate currently received are inconsistent and insufficient, providing only 30 per cent of the required factor levels for the 1,265 diagnosed patients and children; at times, forcing families to rely on blood-derived products that require hospital admission and carry risks of complications.

THAT, the Petitioner is concerned that the existing donation programme supplying clotting factor concentrates has a 70 per cent deficit and is expected to end within two years, creating a looming treatment crisis that will particularly endanger children who rely on prophylactic factor replacement to prevent life-threatening bleeds;

THAT, the Petitioner further states that only a few fully operational haemophilia treatment centres exist across the country, insufficient for the needs of both adult and child patients nationwide; therefore, there is a need for more centres in all referral hospitals equipped with diagnostic machines for coagulation testing and supportive services such as physiotherapy and child-focused care.

THAT, the Petitioner's efforts to adequately address the plight of haemophilia patients and children living with bleeding disorders in the country have not yielded meaningful or sustainable progress.

Hon. Members, the Petitioner therefore prays that the National Assembly inquire into this matter and

1. Recommend for the formal recognition of clotting factor concentrates as essential medicine for the treatment of haemophilia in both adults and children, and ensuring sustainable availability within the Kenyan market.
2. Recommend to the Ministry of Health to establish additional haemophilia treatment centres nationwide; enhancement of diagnostic capacity; improved training of healthcare workers (including paediatric specialists); review of medical curricula to incorporate the management of haemophilia and bleeding disorders; and increased funding for awareness, particularly for early childhood screening.
3. Recommending recognition of haemophilia as a disabling condition to enable registration of both adult and child patients with the National Council for Persons with Disabilities (NCPWD), and support the inclusion of haemophilia under the Social Health Insurance Fund (SHIF) and
4. To make any other further recommendations it deems fit to address the plight of adult and child patients living with haemophilia and other bleeding disorders in Kenya.

Hon. Members, having established that the matter raised in the Petition is well within the authority of this House and further, that the matters raised in this Petition are not pending before any court of law, constitutional or legal body, I hereby commit the Petition to the Public

Petitions Committee, but I think I have changed my mind on this. This matter is too complicated for the Public Petitions Committee. I want to refer it to the Departmental Committee on Health, headed by Hon. (Dr) Nyikal.

(Applause)

Hon. (Dr) Nyikal, himself having been a Director of Medical Services, Permanent Secretary in the Ministry of Health and a medic of long standing, I think, would understand better and deal with this matter. The Committee is required to consider the Petition and report its findings to the House and to the Petitioner in accordance with Standing Order 227(2).

So, Hon. (Dr) Nyikal and your Committee *kazi kwenu*. Yes, Hon. Karemba. It is not an assault on the integrity of your Committee; I know for sure that you are not a medic. I want to ease your burden by submitting this Petition to the Committee, which is well-positioned to address the complex medical situation raised here.

Hon. Muchangi Karemba (Runyenjes, UDA): Thank you, Hon. Speaker. Actually, I was rising in protest as I imagined you were trying to belittle my Committee or the abilities of the Hon. Chairman and the Hon. Members.

Hon. Speaker: Not by any means. You know that I have the highest regard for you.

Hon. Muchangi Karemba (Runyenjes, UDA): Thank you, Hon. Speaker. Maybe you could consider a joint sitting for us, between my Committee and theirs.

Hon. Speaker: I can consider a joint sitting to enable Hon. (Dr) Nyikal assist you in knowing more about haemophilia.

(Laughter)

Hon. Muchangi Karemba (Runyenjes, UDA): Thank you, Hon. Speaker. That is agreed.

Hon. Speaker: Okay. Yes, Hon. (Dr) Pukose.

Hon. (Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Speaker. Haemophilia is a very complex disease; it is not just a question of somebody bleeding. It is a hereditary disease in which there are no clotting factors; therefore, it cannot be treated even with blood transfusion. This disease is treated with factor concentrates, which are not manufactured locally; they are imported into our country. Having this Petition committed to Parliament, the Petitioners state that donors fund it and that donor support will end in the next two years, leaving our haemophiliacs in the country exposed. Therefore, as a Committee and as Parliament, we need to allocate money because donors fully fund this. We must allocate funds to protect haemophiliacs.

Thank you, Hon. Speaker.

Hon. Speaker: As a medic, do you have any problem with the Departmental Committee on Health handling it?

Hon. (Dr) Robert Pukose (Endebess, UDA): No, we will handle it appropriately. Hon. Speaker, I am aware that even the Petitioners had come to the Office of the Leader of the Majority Party and consulted with him. He invited me to that meeting, and we listened to the haemophiliacs. So, we would be able to handle it appropriately and give the response due. As the Departmental Committee on Health, we should also be able to provide a budget for them.

Hon. Speaker: Hon. (Dr) Rachael Nyamai.

Hon. (Dr) Rachael Nyamai (Kitui South, JP): Thank you, Hon. Speaker, for allowing me to also comment on this important Petition, which is very well researched. I want to say that when I was the Chairperson of the Departmental Committee on Health and Hon. (Dr) Pukose was the Vice-Chairperson, this matter was brought to the attention of the Departmental

Committee on Health. As a country, it is high time we take health funding very seriously. This will enable us to fund haemophilia, dengue fever, and other rare diseases...

Hon. Speaker: It is called Dengue fever.

Hon. (Dr) Rachael Nyamai (Kitui South, JP): Dengue fever is rare in the country. I believe that Hon. (Dr) Nyikal's Committee's wisdom is perfect and that it is best to deal with it together with the Hon. Members. I also appreciate that Hon. Karemba has been doing a very good job, and we have recently seen many reports from the Public Petitions Committee tabled. I believe he can do it; however, Hon. (Dr) Nyikal and his Committee, with their expertise, can work together to provide this solution and the report we need.

Thank you, Hon. Speaker.

Hon. Speaker: Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker. I also rise to support the Petition by Mr Kago. I met him and Christopher from the Kenya Haemophilia Association. This is a rare condition. I am not a health expert, but when they came to see me, I invited Hon. (Dr) Nyikal, the Chairman of the Departmental Committee on Health, and Hon. (Dr) Pukose to join me in that meeting. Once we listened to them, we realised that we need to recognise clotting factor concentrates as essential medication in our country. As Hon (Dr) Pukose has said, they have depended on donor funding over the years. You are aware of what happened with the United States Agency for International Development (USAID) and many other donor sources, and how it impacts people living with haemophilia.

We should establish haemophilia treatment centres across the country. With the exception of the Kenyatta National Hospital and the Mbagathi County Referral Hospital, very few other Level 4 and 5 referral hospitals in the country have treatment centres for haemophilia. Many people, especially young children, die because they are not properly diagnosed, or there are no clotting factor concentrates in the health centres near them. Therefore, we should establish more centres to diagnose the condition and treat it in time.

Lastly, we should recognise haemophilia as a condition that needs more support than the usual ordinary medical care under the Social Health Insurance Fund (SHIF) because it is a very disabling condition. Those gentlemen made it clear that children with this condition are unable to go to school and adults with this condition wake up in the morning and cannot function normally. Therefore, we need to recognise haemophilia as a disabling condition, so that sufferers are further covered over and above the normal SHIF cover. I encourage private medical insurance companies to provide additional medical or disability cover to those who can afford it.

Since Hon. (Dr) Nyikal and Hon. (Dr) Pukose listened to the petitioners ahead of this Petition, I hope that they will move their Committee to support them and even move the Ministry to allocate more funds to support them just like with other diseases like HIV/AIDS, malaria and other disabling diseases.

Lastly, I will comfort Hon. Karemba that you are not in any way taking over his work in the Public Petitions Committee, as you said in your response to him. But this being a very... I do not know how to describe it.

Hon. Speaker: Technically complex.

Hon. Kimani Ichung'wah (Kikuyu, UDA): This being a very technical and specialised area, it will be better handled by our medics under the able leadership of the former Director of Medical Services, Hon. (Dr) Nyikal; the very good doctor, Hon. (Dr) Pukose; and many other doctors, including Hon. (Prof) Jaldesa. As much as he specialises in other matters, he will be of use in this area.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Hon. (Dr) Nyikal.

Hon. (Dr) James Nyikal (Seme, ODM): Thank you, Hon. Speaker. We have noted this very competent and important Petition. We will work on it with the other Committee, if necessary. The petitioner has looked into the broad areas of this issue, including blood transfusion issues, which we assist with. We currently transfuse patients with whole blood, which contains concentrates that they do not require.

The Petition has also touched on the area of health insurance. The condition can be covered under the Emergency, Chronic and Critical Illness Fund. The Petition also touched on the area of disability, which we have to look at. The Petition indicates that people with this condition are part of the indigents.

So, we will work on this broad Petition. We hope to table a report by the time we come back from recess.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. (Dr) Nyikal. Next Order.

PAPERS

Deputy Leader of the Majority Party, Hon. Owen Baya.

Hon. Owen Baya (Kilifi North, UDA): Hon. Speaker, I beg to lay the following Papers on the Table:

Reports of the Auditor-General and Financial Statements for the year ended 30th June 2025 and the certificates therein in respect of:

1. Atwana Vocational Training Centre.
2. Bondo Teachers Training College.
3. Chepalungu Technical Training Institute.
4. Cherangany Technical and Vocational College.
5. Clinical Officers' Council.
6. East Africa Skills Transformation and Regional Integration Project IDA Credit No. 6334-KE - State Department for Roads.
7. Fayya Technical and Vocational College-Tana River.
8. Garsen Technical and Vocational College.
9. Health Records Information Managers Board.
10. Ithamare Technical and Vocational Centre.
11. Jaramogi Oginga Odinga Teaching and Referral Hospital.
12. Kagwampungu Vocational Training Centre.
13. Karichu Vocational Training Centre.
14. Kenya Biovax Institute Limited.
15. Kenya Fisheries Service.
16. Kenya Institute of Curriculum Development.
17. Kericho Teachers Training College.
18. Kianjai Vocational Training Centre.
19. Kieganguru Vocational Training Centre.
20. Kipsinende Technical and Vocational College.
21. Kiroone Vocational Training Centre.
22. Laikipia East Technical and Vocational College.
23. Laikipia North Technical and Vocational College.
24. Laikipia West Technical and Vocational College.
25. Maasai Mara Technical and Vocational College.
26. Magarini Technical and Vocational College-Kilifi.
27. Merti Technical and Vocational College.

28. Molo Technical and Vocational College.
29. Mwerondu Technical and Vocational Centre.
30. Mwitira Vocational Training Centre.
31. National Cereal and Produce Board Staff House Mortgage Fund.
32. National Industrial Training Authority Staff Mortgage and Car Loan Scheme.
33. North Horr Technical and Vocational College.
34. Nuclear Power Energy Agency Staff Car and Mortgage Loan Scheme Fund.
35. Nyakach Technical and Vocational College.
36. Postal Corporation of Kenya.
37. Rurii Vocational Training Centre.
38. Samburu Technical and Vocational College.
39. Thita Vocational Training Centre.
40. Turkana North Technical and Vocational College.
41. Ugenya Technical and Vocational College.
42. Ulinzi Prime Health Services Fund.
43. Unclaimed Financial Assets Authority.
44. United Democratic Movement.
45. Weru Technical and Vocational College- Kilifi.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Next Order.

NOTICES OF MOTIONS

MANDATORY GUIDANCE AND COUNSELLING PROGRAMME IN SCHOOLS

Hon. Rahab Mukami (Nyeri County, UDA): Hon. Speaker, I beg to give notice of the following Motion:

THAT, aware that learners in primary and secondary schools across the country are increasingly exposed to social, psychological and behavioural challenges, including drug and substance abuse, indiscipline, school unrest and academic underperformance; noting that there has been a disturbing rise in cases of sexual violence against children, including incidents where minors are abused or killed by individuals known to them, including relatives and caregivers, thereby exposing learners to trauma and long-term psychological harm; further noting that many learners come from homes affected by domestic violence, family instability, economic hardship and other social pressures that adversely affect their emotional wellbeing, safety and concentration in school; concerned that guidance and counselling services in most primary and secondary schools remain informal, inadequately structured and under-resourced, with no standardised national framework to ensure professionalism, accountability and effective delivery; appreciating that structured psychosocial support, life skills training, child protection awareness and early intervention during formative years are critical in safeguarding learners, strengthening resilience, promoting discipline and improving academic outcomes; this House, therefore, resolves that, the Government, through the Ministry of Education:

1. Introduces a mandatory, structured and time-tabled Guidance and Counselling Programme in all public and private primary and secondary schools in Kenya.
2. Develops and implements a national policy framework providing for the recruitment, accreditation and deployment of professionally trained school counsellors.
3. Integrates mental health education, child protection awareness, personal safety training and life skills development into the school curriculum.
4. Allocates adequate resources to support counselling services in schools.
5. Establishes clear coordination and referral mechanisms between schools, child protection institutions and relevant Government agencies to ensure effective safeguarding of learners.

Thank you, Hon. Speaker.

Hon. Speaker: You have a second one. Go ahead.

NOTING OF REPORT OF KENYA DELEGATION TO THE 3RD
ORDINARY SESSION OF THE 6TH PAN-AFRICAN PARLIAMENT

Hon. Rahab Mukami (Nyeri County, UDA): I beg to give notice of the following Motion:

THAT, this House notes the report of Kenya's delegation to the Third Ordinary Session of the Sixth Parliament of the Pan-African Parliament laid on the Table of the House on 19th February 2026.

Thank you, Hon. Speaker.

Hon. Speaker: Next Order.

QUESTIONS AND STATEMENTS

REQUESTS FOR STATEMENTS

ABDUCTION OF MR GUYO LUBO

Hon. Mumina Bonaya (Isiolo County, JP): Hon. Speaker, pursuant to Standing Order 44(2)(c), I rise to request a Statement from the Chairperson of the Departmental Committee on Administration and Internal Security regarding the abduction of Mr Guyo Lubo.

On Friday, 19th December 2025, at approximately 1:04 p.m., unidentified men in civilian clothing driving a Toyota Probox abducted Mr Guyo Lubo in Isiolo Town. His identification number starts with 30 and ends with 40. Information obtained by the family following scrutiny of CCTV footage from nearby premises indicates that the vehicle's registration number is suspected to bear the prefix KDP.

The matter was formally reported under OB No. 51/12/25 and is currently under investigation by the Office of the Directorate of Criminal Investigations (DCI) in Isiolo. However, despite the passage of time since the report was lodged, the family has not received any official communication regarding the findings or progress of the investigations nor any information concerning Mr Lubo's whereabouts.

The immodest nature of the incident occurring in broad daylight raises profound concerns regarding public security, enforcement of the rule of law, and protection of citizens

from enforced disappearance. It is against this backdrop that I request a Statement from the Chairperson of the Departmental Committee on Administration and Internal Security on the following:

1. The current status and preliminary findings of the investigations undertaken by the Directorate of Criminal Investigations into the abduction of Mr Guyo Lubo including verification and tracing of the suspected motor vehicle registration details.
2. The measures being undertaken by security agencies to establish Mr Lubo's whereabouts and secure his safe recovery.
3. The interventions being implemented to strengthen response mechanisms in cases of abductions and to ensure timely and transparent communication with affected families.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Hon. Tongoyo that Request for Statement is to your Committee. When can you bring that response?

Hon. Gabriel Tongoyo (Narok West, UDA): Maybe the first Thursday on return from recess.

Hon. Speaker: Thank you. Hon. Abdul Haro, you look bewildered yet you are on the Order Paper to seek a Statement on energy. Hon. Lydia Haika while Hon. Haro organises himself.

DELAYED REGISTRATION OF PERSONS UNDER THE INUA JAMII CASH TRANSFER PROGRAMME

Hon. Haika Mizighi (Taita/Taveta County, UDA): Hon. Speaker, pursuant to Standing Order 44(2)(c), I rise to request a Statement from the Chairperson of the Departmental Committee on Social Protection regarding delayed registration of persons under the Inua Jamii Older Persons Cash Transfer (OPCT) programme.

The government rolled out the Older Persons Cash Transfer (OPCT) programme in 2007 to provide regular and predictable cash transfers to older persons aged 70 years and above who are not in receipt of a civil servant's pension. The objective of the programme is to cushion older persons against poverty and ensure their welfare. However, there have been delays in the timely registration of older persons under the OPCT programme. It has led to many of them not being eligible to receive cash transfers despite attaining the required age. By a resolution passed on Wednesday, 8th March 2023, this House approved a Motion sponsored by the Member of Parliament of Kilome, Hon. (Eng.) Nzambia, resolving that the Ministry of Labour and Social Protection undertake continuous and timely registration of elderly persons under the OPCT programme.

Despite the resolution, many older persons across the country continue to experience undue delays in registration. It is against this background that I request a Statement from the Chairperson of the Departmental Committee on Social Protection on:

1. The plans by the Ministry of Labour and Social Protection to ensure timely registration of elderly persons who have attained the age of 70 years under the OPCT programme.
2. Measures put in place to prevent future delays in registration under the programme.

Thank you.

On the same breath, kindly allow me to pass my condolences to the family of Hon. Ng'eno.

Hon. Speaker: Order, I will not. You are out of order. Hon. Haika, I gave this House one and a half hours to pay tribute to Hon. Ng'eno. I led a team from this House to his residence. We were at the church yesterday and I saw you singing. Why do you want to take shortcuts?

Is Hon. Alice Ng'ang'a the Chair of the Departmental Committee on Social Protection? Any Member of the Committee?

Hon. James K'Oyoo (Muhoroni, ODM): I am a Member of the Committee.

Hon. Speaker: Yes, Hon. K'Oyoo. Tell your Chair and Committee to bring a response within the first week after recess.

Hon. James K'Oyoo (Muhoroni, ODM): That will be done.

Hon. Speaker: Thank you. Hon. Abdul Haro, are you now better organised? Give him the mic.

STATUS OF ELECTRICITY CONNECTIVITY IN KUTULO SUB-COUNTY

Hon. Abdul Haro (Mandera South, UDM): Thank you, Hon Speaker.

Pursuant to Standing Order 44(2)(c), I rise to request a Statement from the Chairperson of the Departmental Committee on Energy regarding the status of electricity connectivity in Kutulo Sub-County in Mandera County.

Kutulo Sub-County that is the home to Kutulo town has been experiencing rapid growth in recent years. The area now hosts essential public infrastructure that includes schools, a level 4 hospital, sub-county administration offices as well as national security institutions and other government institutions.

In the Kenya Population and Housing Census, Kutulo Sub-County has a population of 72,394 people, spanning an area of 2,508 square kilometres with 9,342 conventional households and 104 group quarters. Despite this, less than five per cent of households in the sub-county are connected to electricity, thereby slowing down economic activities.

Kutulo Sub-County in Mandera County relies on an inadequate and unreliable electricity supply from a small sub-station located in Kutulo in Wajir County, located four kilometres away. This sub-station also serves other distant towns such as Khorofarar, which is about 30 kilometres away and Karsa, which is about 40 kilometres away in Wajir County resulting in frequent blackouts in Kutulo within Mandera County.

The erratic power supply disrupts critical services including healthcare, education and security, while also stifling economic activities. Major centres such as Bojigarse, Kutayu, Lehele and Harwale remain unconnected despite electricity lines having been commissioned and tested over the last three years.

Hon. Speaker, it is against this background that I request a Statement from the Chairperson of the Departmental Committee on Energy on the following:

1. Measures being taken by the Ministry of Energy and the Kenya Power Company to address the unreliable electricity supply in Kutulo Sub-County in Mandera County.
2. Plans being put in place to construct a dedicated power sub-station within Mandera County to serve Kutulo and surrounding areas, including Garse Sala and Deba City.
3. Steps being taken to fast-track the connection of commissioned lines in Bojigarse, Kutayu, Lehele and Harwale using targeted subsidies to lower connection costs for low-income households.
4. Long-term strategy by the Government to ensure equitable power connectivity in marginalised and rapidly developing regions such as Kutulo Sub-County in Mandera County.

I thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Haro. Chairperson of the Departmental Committee on Energy. Is Hon. Gikaria in the House? Where are you?

Hon. David Gikaria (Nakuru Town East, UDA): I am here, Hon. Speaker.

Hon. Speaker: Where is “here”?

Hon. David Gikaria (Nakuru Town East, UDA): At Hon. Caroli’s place.

Hon. Speaker: You normally sit where Hon. Karani is seated. When can you bring a response?

Hon. David Gikaria (Nakuru Town East, UDA): In two weeks’ time.

Hon. Speaker: Two weeks. Thank you. Leader of the Majority Party, your Thursday Statement.

STATEMENT

BUSINESS FOR THE WEEK
OF 9TH TO 13TH MARCH 2026

Hon. Kimani Ichung’wah (Kikuyu, UDA): Hon. Speaker, protect me from Hon. Haika behind me.

*(Hon. Haika Mizighi and Hon.
Silvanus Osoro consulted loudly)*

Hon. Speaker: Order, Hon. Haika and the Whip of the Majority Party. That *kamukunji* is unlawful.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(a), I rise to give the following Statement on behalf of the House Business Committee which met on Tuesday, 3rd March 2026 to prioritise business for consideration during the week.

As Members are aware, the House approved the 2026 Medium-Term Debt Management Strategy, which is linked to the 2026 Budget Policy Statement. In this regard, the House is scheduled to commence consideration of the Budget Policy Statement as indicated in today’s Order Paper.

With regard to business scheduled for Tuesday next week, the House is expected to consider the following Bills at the Committee of the whole House:

1. The National Infrastructure Fund Bill (National Bill No.1 of 2026), if not concluded on Thursday, 5th March 2026.
2. The Tea Amendment Bill (Senate Bill No.1 of 2023).
3. The Miscellaneous Fees and Levies (Amendment) Bill (National Bill No. 57 of 2025).

Additionally, the House will continue with consideration of the 2026 Budget Policy Statement and undertake debate on the following Motions, some of which are listed in today’s Order Paper:

1. Report on the Audited Accounts for the Judiciary Mortgage Scheme Fund for the Financial Years 2011/2012 to 2021/2022.
2. Consideration of Sessional Paper No. 6 of 2024 on the National Aviation Policy.
3. Report on the Audited Accounts for the Commodities Fund for the Financial Years 2018/2019 to 2021/2022.

4. Ukaguzi kwa Asasi zisizo huru kikamilifu za Jumuiya ya Afrika Mashariki na Ushoroba wa kati katika Jamhuri ya Muugano ya Tanzania.
5. Reports of the Kenya Delegation to the 147th Assembly of the Inter-Parliamentary Union (IPU) and related meetings.
6. Reports of the Kenya Delegation to the 148th Assembly of the IPU and related meetings.
7. Consideration of a Petition regarding delay in resettlement of squatters in Koibem Village, Nandi County.
8. The 10th Report on the Audited Accounts of the National Government Constituencies Development Fund for the Financial Years 2016/2017 to 2021/2022.
9. The 5th Report on the Audited Accounts of various State Corporations (Western Region) for the Financial Years 2018/2019 to 2020/2021.
10. The 11th Report on the Audited Accounts of the National Government Constituencies Development Fund for the Financial Years 2016/2017 to 2021/2022.
11. The 7th Report on the Audited Accounts of various State Corporations for the Financial Years 2018/2019 to 2020/2021.

Most of the business prioritised for consideration next week and, indeed, during today's Sitting, is sponsored by Committees. In this regard, I urge Chairpersons of the relevant Committees to be present throughout the Sitting and to patiently wait to move their respective Committee reports even when the House sits until late.

Hon. Speaker, I can repeat that for the benefit of the Member for Njoro, Hon. Charity Kathambi and the Member for Aldai who is a Vice Chairman of a Committee. Last night, we had to skip six Orders on the Order Paper.

Hon. Speaker: That is because the Chairpersons were not in the House.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Speaker, it is fair I name them so that they know. The Chairperson of the Special Funds Accounts Committee had three Orders and the Chairperson of the Departmental Committee on Transport and Infrastructure, Hon. GK. We deferred their business last night because they were not in the House; neither him nor any Member of his Committee was in the House. The Chairperson of the Decentralised Funds Committee and the Chairperson of the Public Investments Committee on Governance and Education were also absent. The Deputy Speaker had to defer all that business last night because their Chairpersons or Vice-Chairpersons were not in the House.

As you indicated, with the Budget Policy Statement now before us, even after the short recess, budget-related business will be prioritised. Chairpersons of Committees whose business is not considered now will stand out to be the losers so let them be in the House.

Hon. Speaker, it is expected that next week the Departmental Committee on Finance and National Planning will table its Report on the consideration of Sessional Paper No.3 of 2025 on the partial divestiture in Safaricom PLC by the Government of Kenya. This Sessional Paper will form part of priority business expected to be considered next week alongside the Division of Revenue Bill, 2026.

The House may recall that on Thursday, 19th February 2026, I implored Members representing the National Assembly in Mediation Committees to engage their Senate counterparts on fast-tracking pending mediation processes. Specifically, I urged the Mediation Committee on the National Disaster Risk Management Bill, 2023 and The Food and Feed Safety Control Coordination Bill, 2023 to expedite mediation process. These has a bearing on the Chairman of the Departmental Committee on Regional Development, Hon. Lochakapong, and the Chairman of the Departmental Committee on Agriculture, Hon. Dr Mutunga. These

are 2023 Bills which are still pending in mediation because those mediation committees are yet to sit.

The National Disaster Risk Management Bill, 2023 is critical in providing the Government with a legal framework for effective coordination of disaster management activities in the country. Further, the Food and Feed Safety Control Coordination Bill, 2023, is key in ensuring coordinated control of food and feed safety to guarantee the supply of safe food and feed to consumers.

Finally, in accordance with the provisions of Standing Order 42(a)(5) and (6), I wish to convey that the Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs will appear before the House on the afternoon of Wednesday, 11th March 2026, to provide a report on the status of implementation of the Inter-Agency Technical Committee Report on the review of designated hardship areas and payment of hardship allowance in the public service.

Hon. Speaker, I hope those Members who have been raising questions on hardship areas, be it for our teachers, the police or other public servants, will be here on Wednesday afternoon when the Prime Cabinet Secretary appears in the House on that matter.

In conclusion, the House Business Committee will reconvene again on Tuesday, 10th March 2026, to schedule business for the rest of the week. I now wish to lay this Statement on the Table of the House.

Thank you.

Hon. Speaker: Thank you, Leader of the Majority Party. Hon. Members, before the next order...

(Hon. Gideon Mulyungi consulted loudly)

Order. Hon. Mulyungi, you are out of order.

Hon. Members, before the next Order, we have visitors in the Speaker's Gallery. We have Machakos Girls High School from Machakos Town, Machakos County. In the Public Gallery, we have Karaini Senior School from Kirinyaga Central, Kirinyaga County; Kangaru School from Manyatta, Embu County; Muguna Aana Education Centre from Tharaka, Tharaka Nithi County; and Gitugi Primary School from Mathioya, Murang'a County. On my behalf and on behalf of the House, we welcome the students, their teachers and those accompanying them to the House of Parliament.

Thank you.

Next Order.

BILL

Second Reading

THE MISCELLANEOUS FEES AND LEVIES (AMENDMENT) BILL (National Assembly Bill No. 57 of 2025)

*(Moved by Hon. Kimani
Ichung'wah on 4.3.2026)*

(Debate concluded on 4.3.2026)

Hon. Speaker: Hon. Members on their feet, take your seats. Hon. Members, I will now put the question at Order No. 8.

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(Hon. Robert Pukose consulted loudly)

Order, Hon. Pukose.

(Question put and agreed to)

(The Bill was read a Second Time and committed to Committee of the whole House)

Next Order.

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[The Speaker (Hon. Moses Wetang'ula) left the Chair]

IN THE COMMITTEE

*[The Temporary Chairlady
(Hon. (Dr) Rachael Nyamai) in the Chair]*

THE NATIONAL INFRASTRUCTURE FUND BILL
(National Assembly Bill No. 1 of 2026)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, we are now in the Committee of the whole House to consider the National Infrastructure Fund Bill (National Assembly Bill No.1 of 2026). Those who wish to participate in this Bill may take their seats.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Mover, please move the amendment.

Clause 3

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 3 be amended by inserting the words “in accordance with Article 206 of the Constitution and section 24 of the Public Finance Management Act.” Immediately after the word “Fund”.

This amendment is seeking to bring clarity to the nature of the Fund being established under the Constitution and statutory basis. This amendment also intends to align this Fund with Article 206 of our Constitution, and Section 24 of the Public Finance Management Act.

Thank you.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): I do not see any interest in this amendment.

Hon. Members: Put the question.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): I now put the question.

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(Clause 3 as amended agreed to)

Clause 4

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Mover, do you have an amendment?

Hon. Kuria Kimani (Molo, UDA): Yes, Hon. Temporary Chairlady.

I beg to move:

THAT, Clause 4 be amended in paragraph (a) by deleting the words “catalytic national infrastructure, including national highways and railways networks, air and sea ports, electricity generation, transmission and distribution, water reservoirs, irrigation and agribusiness infrastructure” and substituting therefor the words “national infrastructure”

immediately after the word “of”.

This amendment is meant to ensure that the functions being given to the National Infrastructure Fund do not become the same as those provided for by counties, so that it aligns with Schedules Three and Four of our Constitution.

Thank you.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you, Hon. Chairlady. I have looked at this amendment and I have also looked at Clause 2. I think it would be important for such a term as “catalytic” to be defined for purposes of clarity. When I look at Clause 2, although we are not there, I do not see any attempt to define that terminology.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): We are on Clause 4.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Generally, we have been here long enough. We know that the definition of terms is always under Clause 2. This word was not in the original Bill. This is an amendment. How I wish the Hon. Chairman could tell us because this word can easily be misinterpreted. If the Hon. Chairman can promise us that when we get to Clause 2, he will bring an amendment to define the word he has used, that would be okay.

I submit.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman, do you want to comment on that before I put the question?

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I see where Hon. (Dr) Makali is coming from. There is no harm when we come to Clause 2 later to see how else we can properly define this particular term so that there is no ambiguity in law.

*(Question, that the words to be left out
be left out, put and agreed to)*

*Question, that the words to be inserted in place
thereof be inserted, put and agreed to)*

(Clause 4 as amended agreed to)

Clause 5

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move:

THAT, Clause 5 be amended in subsection (2) by deleting paragraph (c).

This amendment seeks to align gaps in the management of the Fund with Article 206 of the Constitution and also align it with the Public Finance Management Act, Cap. 412A.

(Question of the amendment proposed)

*(Question, that the words to be left out
be left out, put and agreed to)*

(Clause 5 as amended agreed to)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): I can see Hon. Robert Mbui has an amendment on the same Clause. Now that the Chairperson's amendment has gone through, it means that his amendment falls.

Clause 6

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairperson.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 6 of the Bill be amended—

- (a) by deleting subsection (1) and substituting therefor the following new subsection—
- (1) The Fund shall be managed by a Board of Directors, which shall consist of—
- (a) four persons who shall be independent directors;
 - (b) three persons, being public officers, who shall be appointed based on their expertise or position; and
 - (c) the Chief Executive Officer, who shall be an *ex-officio* member of the Board.
- (b) by deleting subsection (2) and substituting therefor the following new subsection –
- (2) The Independent Directors shall be recruited by the Governing Council through a competitive process.
- (c) by inserting the following new subsection immediately after subsection (3)—
- (4) The members of the Board shall appoint a Chairperson from amongst the members appointed under subsection (1)(a).

This is the clause that provides for the Board directors, where we are making amendments to make sure that the Bill adheres to good functions of corporate governance and *Mwongozo* guidelines. Although we create them, we need to make sure that they are not bottlenecks that affect the operationalisation of the Fund. We need to make sure that there are still enough safeguards so that we ensure there is adherence to our Constitution.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you. I believe that you have prosecuted subclauses 1 and 2.

(Question of the amendment proposed)

(Question, that the words to be left

out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Question, that the words to be inserted be inserted, put and agreed to)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): We have a proposed amendment by Hon. Onesmus Ngogoyo. You may proceed with your amendment.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 6 of the Bill be amended in subclause (3) by inserting the words “upon approval of the National Assembly” immediately after the word “*Gazette*”.

The thinking behind this is that this is a very sensitive Board that needs the nod of this National Assembly. Therefore, I move this amendment so that the nominees or whoever would be appointed would be subject to this National Assembly.

This is the correct position. Remember this is not just any other Board, but where we will invest in, as a country. I move this amendment so that we may subject the nominees to the Public Appointments (Parliamentary Approval) Act.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairperson.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, although the proposal by Hon. Ngogoyo is reasonable for particular boards, the only reason we have these seven Board members of the National Infrastructure Fund is to bring expertise.

In fact, later you will see that they only sit twice a year. They are not Board members that will run the day-to-day activities of this Fund. Just like all other Board members we have of other entities that do not need approval by this House, it will be too prescriptive and tedious for them to come to this House for approval. Therefore, it is not necessary.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Leader of the Majority Party.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Hon. Temporary Chairlady, I agree with the Chairperson. I oppose that amendment. The constitutional principle is for State officers, but not public officers, to be approved by Parliament. There is no other Board that is approved by the National Assembly except one which I do not want to name here for obvious reasons. Hon. Ngogoyo named it. If you want me to name it, I can do so.

It is only the National Government – Constituencies Development Fund (NG-CDF) Board that is approved by the House. No other Board members, be it the Kenya Revenue Authority (KRA) or Social Health Authority (SHA) which we passed as a law here, are approved by the House. There is no such provision in law to do so. If we go to that direction, we will set a very dangerous precedent. Therefore, I oppose the amendment.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Pukose.

Hon. (Dr) Robert Pukose (Endebess, UDA): Hon. Temporary Chairlady, I stand to oppose this amendment because many of the Boards are not approved by this House. These are neither State Officers nor public officers. Therefore, I do not think it is necessary for the House to approve them. They are not given any salary, but they are given allowances. I do not think it will be necessary for us to approve them.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Member for Kathiani.

Hon. Robert Mbui (Kathiani, WDM): Hon. Temporary Chairlady, I support Hon. Onesmus Ngogoyo's proposal. If you look at the Fund that we are coming up with, it will have so much money which will be invested in the whole country.

The amount of money will even go beyond our National Budget. Parliament must have a say in exactly what goes on there. I believe that it makes a lot of sense for us to approve them. I do not know why Members are refusing to take the responsibility of controlling resources.

Hon. (Dr) Robert Pukose (Endebess, UDA): On a point of order, Hon. Temporary Chairlady.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Order Member for Kathiani. There is a point of order from the Member for Endebess. Proceed, Dr Pukose.

Hon. (Dr) Robert Pukose (Endebess, UDA): Hon. Temporary Chairlady, the Member for Kathiani has said that Parliament has no role in appointing the Board members which is not true. It plays an oversight role. We will look at the audited accounts of this organisation. The Public Investments Committee will also look at the day-to-day investments of the organisation. I do not think Parliament has no role to play.

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Chairlady.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): The Chair has a point of order. Sorry, it is the Leader of the Majority Party. He takes precedence.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Chairlady, the Chairperson and I share a name. I like the way Hon. Robert Mbui presents things he knows are not true, but he makes them look true.

(Laughter)

He has asserted that this Fund will have more money than our National Budget, yet he is the one who was reading for me that there will be money appropriated from the Budget. How can you appropriate money to a Fund that has more money than the Budget? Even if you want to help Hon. Ngogoyo, please base your argument on the truth.

(Laughter)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Farah Maalim. After his contribution, I will put the Question, Hon. Members.

Hon. Farah Maalim (Dadaab, WDM): Hon. Temporary Chairlady, I also oppose this amendment. The primary function of the Executive, in a democracy like ours which has three arms of Government, is to determine and decide their priorities, in terms of development.

The role of Parliament is scrutiny and oversight. If you bring every issue focusing on development to Parliament to vote on, then it will be usurping the role of the Executive. Therefore, I oppose this amendment. I believe the Board that is constituted will stand up to its position. If you want to construct a road in Marsabit, but Hon. Mbui and many other friends from the relatively better developed regions of this country want to overdevelop their regions, we do not have the numbers to oppose or pass it here. Let the Executive determine where their priorities are and let this country be equalised in development.

Thank you.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, you have really expressed yourself on this amendment.

(Question, that the words to be inserted)

be inserted, put and negatived)

(Loud consultations)

Order, Hon. Members.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman, for the record, refer to Subclause 4. It is within Clause 6. You may proceed.

Hon. Kuria Kimani (Molo, UDA): Wait a minute. I need to consult briefly. Clause 6?

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): No. In Clause 6...

*(The Temporary Chairlady consulted
with the Clerks-at-the-Table)*

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 6 of the Bill be amended—

(c) by inserting the following new subsection immediately after subsection (3)-

(4) The members of the Board shall appoint a chairperson from amongst the members appointed under subsection (1) (a).

We have said that among the directors who will manage this Fund, will be four independent directors. This particular amendment provides that the chairperson shall be elected from among those independent directors. This is to ensure that the chairperson of the board is an independent director and, therefore, impartial in the decisions made on behalf of this very critical Fund.

I beg to move.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Yes, Hon. Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Chairlady, let me support that amendment because it is also in line with what we already did in the Government-Owned Enterprises Act to ensure proper corporate governance in all companies owned by the Government, including a fund such as this. This will dispel the fear expressed by some Members that the National Treasury would have an overbearing control of this Fund's Board. The Board will elect its own Chairperson, unlike before when the Chairperson would be nominated and appointed by the Cabinet Secretary.

I support.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you. Hon. Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): I have no issue with this.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. (Dr) Oundo.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Hon. Temporary Chairlady, I support. As I support, allow me to commend the Committee and the Hon. Leader of the Majority Party for listening to the concerns we raised. They have literally done justice to the Bill and will continue doing justice to it. May the Almighty God bless you and increase the number of children in your compound.

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Chairlady.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): There is a point of order by the Hon. Leader of the Majority Party. What is out of order?

Hon. Kimani Ichung’wah (Kikuyu, UDA): Hon. Temporary Chairlady, you know the Hon. (Dr) Oundo is learning very well from Hon. Robert Mbui in speaking untruths. We are legislating here and if he listened, I remember reacting to something that had been raised by Hon. Makali Mulu yesterday or the day before.

I did aver that those who had cared to read the Committee’s report would see that many of the issues Members were speaking to had already been covered by amendments proposed by the Committee. The Committee conducted a very rigorous public participation exercise and engaged stakeholders and the issues raised had already been addressed. They dispelled your fears, Hon. Makali, as all the issues you spoke to, the public had also addressed. They were covered by the amendments of the Committee.

Therefore, Hon. (Dr) Oundo is out of order in saying that we are now listening. We need to be careful about the things we say here. In 2024, during the Finance Bill, Kenyans told us not to amend but to reject the Bill because many did not understand the process of law-making. A Bill comes, it goes for public participation, then amendments come. We have a duty and obligation to continue educating and informing Kenyans that when amendments are made, the final product is what matters, not the initial draft.

Thank you.

(Hon. Members spoke off the record)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): You know the Leader of the Majority Party was on a point of order. So, I could not stop him. Have you been mentioned?

Hon. (Dr) Makali Mulu (Kitui Central, WDM): On a point of order, Hon. Temporary Chairlady.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): What is out of order, Hon. Makali Mulu? Hon. Members, I would like us to make progress.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Hon. Temporary Chairlady, we want to make progress. That is why I was saying that if anybody listened to us yesterday as we were debating, then the best thing would have been to redraft the Bill. That is why I am thanking the Hon. Leader of the Majority Party, because if you look at the many amendments they have introduced, they are moving in that direction. What we are doing is helping to make the Bill better. Anytime we contribute, these amendments confirm that our views have been heard. There are still many issues in the Bill, which is why we ask for a chance to contribute when we see small gaps.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): You have made your point. That is a positive comment. May I now put the question?

Hon. Members: Yes, put the question.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman, I do not want to lock you out. Make it quick.

Hon. Kuria Kimani (Molo, UDA): I will make it very quick. I went to the members of the public during public participation. They cautioned us about Members of Parliament appearing before the Committee to present views, because they said Members have an opportunity to vote when the matter comes to the Floor of the House.

Although I appreciate the kind remarks made by the Hon. (Dr) Oundo and Hon. Makali Mulu, the amendments we are bringing today are views from the 30 counties we visited during public participation. Those members of the public do not have a chance to vote on these matters in this House. Public participation does not happen in this House; it happens outside the House. Our work here is to vote on the report presented by the Committee.

Thank you, Hon. Temporary Chairlady.

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(Clause 6 as amended agreed to)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, before we proceed, I would like to recognise students seated in the Speaker's Gallery this afternoon. They are students from Saint Mary Magdalene Girls from Runyenjes Constituency, Embu County. You are welcome to the National Assembly to observe the proceedings of the House.

Clause 7

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 7 be amended—

(a) by deleting paragraph (a) and substituting therefor the following new paragraphs—

(a) has a degree in finance, accounting, engineering, economics, law or a related field from a university recognised in Kenya;

(b) has at least ten years of professional experience in infrastructure development, infrastructure finance, project finance, public finance, economics, engineering, risk management, or a related field;

(c) has served in a senior management or leadership position for a period of at least five years;

(b) by deleting paragraph (b);

(c) by renumbering paragraph (c) as (e);

This amendment is very important. As I mentioned earlier, this issue also arose during the debate on Tuesday. For the comfort of Members, the current Bill states that to qualify as chairperson or a member of the board, a person must have served in a senior management or leadership position for 15 years. That would have meant that, assuming you completed your undergraduate studies at 23 years of age, as I did, and worked in an entry-level job for five years, you would be 28. For you to get to senior management, you need another five years. By then, you would be either 33 or 34 years. To then accumulate 15 years of experience in senior leadership would mean that the person would be at least 50 years old.

This was brought up during public participation. I want to take this opportunity to thank two young Kenyans who appeared before us in Nairobi County and in Homa Bay County: Joyce Chepkemboi and Jane Achungu, members of an organisation called We Care, a young people's advocacy programme with many university students as members. They have always appeared before our committee with very serious proposals. They were the first to point the age issue to us, and that is why we accommodated it in our report.

We are now seeking to amend that to read that for you to be a chairperson or a member of the board, you must have at least 10 years of professional experience in infrastructure development, infrastructure finance, project finance, public finance, economics, engineering, business management or related fields. This gives people with, at least, 10 years of experience an opportunity to serve as board members or Chairperson of this Fund. That recognises that there are very many young people out there doing amazing things. They do not have to be 50 years of age. They are way less than that. They are captains in their fields. Therefore, they will have an opportunity to contribute as board members of this very critical Fund that will catalyse the National Infrastructure Fund Board.

Thank you.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Any interest on this? Hon. Dr. Pukose. I was trying to look to my left.

Hon. (Dr) Robert Pukose (Endebess, UDA): Hon. Chair, I support. This is a Fund that will deal with national infrastructure in areas that we have talked about, that is national highways, railway networks, air and seaboards, electricity generation, transmission and distribution, water reservoirs, irrigation and agribusiness infrastructure. However, when you limit it to lawyers, people in public finance, economics, engineering and other related fields, does it mean that doctors are not qualified in this area? At times we make laws that favour drafters. Most of these laws are drafted by lawyers. How qualified is a lawyer compared to a doctor in as far as infrastructure or agricultural field is concerned?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Point of information, Hon. Speaker.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. (Dr) Robert Pukose, the Leader of the Majority Party wants to inform you. Do you want to be informed?

Hon. (Dr) Robert Pukose (Endebess, UDA): Yes.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): You can proceed, the Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Chairlady, I want to inform Hon. Pukose that the law says that at the end risk management or a related field. You may be building, for instance, a bioengineering facility to produce medical equipment and it will require a biomedical person. That is why the last bit talks about a related field. So, doctors, lawyers and software engineers like Hon. Bowen are included.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman, Hon. Baya was ahead of you.

Hon. Owen Baya (Kilifi North, UDA): Thank you. Hon. Pukose has finished. He has stated what he wanted to say.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): No! For the purpose of order, Hon. (Dr) Pukose was interrupted by the Leader of the Majority Party. So, he will have one minute.

Hon. (Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Chairlady. Now that I know they are related and you have added software engineers like Bowen, then it is a related field.

Thank you.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you. Hon. Baya, you will be the last one on this.

Hon. Owen Baya (Kilifi North, UDA): Thank you, Hon. Chairlady. I want to commend the Committee for listening to the young people, taking in their views and bringing them here. The two young people have shown the way on how young people can plug into the legislative process in this country. They do not have to go to the streets and make noise. They can appear before a Committee and make their submissions which can change legislation. That is the way to go. As we go out there as committees, let us always harness the views of young people and include them in the reports that we bring here so that their ideas are useful.

I support.

*Question, that the words to be left
out be left out, put and agreed to)*

(Question, that the words to be inserted in place)

thereof be inserted, put and agreed to)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, we have an amendment by Hon. Mbui, the Member for Kathiani. Now that the Chair's amendment is carried, Hon. Mbui's amendment falls.

(Clause 7 as amended agreed to)

Clause 8

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Thank you, Hon. Temporary Chairlady. I beg to move:

THAT, Clause 8 of the Bill be amended—

(a) in subsection (1) by inserting the following new paragraphs immediately after paragraph (j)—

(k) is a member of a board of state corporation or a public entity at the time of appointment;

(l) has been convicted by a court of competent jurisdiction of any criminal offence with a fine exceeding five hundred thousand shillings or a jail term exceeding six months.;

(b) in subclause (2) by deleting paragraph (a) and substituting therefor the following new paragraph—

(a) “immediate family member” means a spouse, a parent, a child or a sibling; and.

This amendment is seeking to provide additional list of disqualification as an independent director of a board. That would ensure that independent directors appointed are of high moral integrity and they dedicate their time fully in achieving the Fund's purpose since we have now defined that they cannot be immediate family members, spouses, parents and children of entities that are related to the Fund.

(Question of the amendment proposed)

Hon. Makali Mulu.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you very much, Hon. Chairlady. I want to thank the Chair for what he has done. This issue of defining immediate family member is very important. We can easily start victimising people for reasons that are not genuine. So, I support it. It is very innovative to define what a family member is.

I support.

(Question, that the words to be inserted be inserted, put and agreed to)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): We have an amendment by the Hon. Robert Mbui. You may prosecute your amendment.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Chair. I beg to move:

THAT, Clause 8 of the Bill be amended in subclause (1) by deleting paragraph (b).

My proposal is that in Clause 8(1)b, it says that one cannot be a member of that board if one has been an employee of the Government in the preceding five years. My concern is that

it makes it look like working for the Government is a crime. It is discriminatory. I think it is only fair that whoever qualifies based on the qualifications already provided should get the opportunity. It is not just about Parliament. It is about anybody working for the Government, and Government is not just national Government. We also have county government staff. So, it is discriminatory and unfair. I propose that we delete it.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Well, I will give the first opportunity to the Chairman. Basically, he agrees with you, but he wants to make an amendment on Sub-section (b). You may proceed, Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon, Chairlady, this is one of the areas that I am also very conflicted. I strongly believe that becoming a politician does not take away your professionalism. Working for a particular government entity does not also take away your experience and professionalism. However, I am also alive to the risks and the fair judgments that we carry out as politicians and as Government employees. If we have to make these particular Fund to be effective and unfortunately that means that even me, I will be disadvantaged, then I will vote for them. There is biasness that we get when we become politicians. There is a culture that people get when they work for particular entities. I will give an example.

If I have been working with, for example, the Jomo Kenyatta International Airport (JKIA) as the Managing Director, there is a decision to make on the use the National Infrastructure Funds to modernise JKIA and I have held that position for 20 -30 years, I will not be partial in my decision making. I will want to self-preserve that position. I will want to preserve my friends and colleagues that I have worked with for several years. So, although this Clause is advantageous to particular people, I believe there are many people outside politics and Government that can offer us a lot of expertise without the biasness and the favouritism that we may get in terms of the risk we expose ourselves to as politicians and former Government employees.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): So, you agree?

Hon. Kuria Kimani (Molo, UDA): Hon, Chairlady, for the sake of professionalism, efficiency and effectiveness of this Bill, I reject that amendment by Hon. Mbui.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Ngogoyo.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Hon. Chairlady. I rise to support that amendment. I want to tell the Chair of the Committee and the Majority Leader that even if they do not want to listen to Members who have different opinions, at least we are all subject to Article 27 of the Constitution. According to Article 27 of the Constitution, we are all equal before the law. You cannot say that somebody who has been a national Government employee in the preceding five years will be discriminated. That is unconstitutional.

Leader of the Majority Party, Article 27 supersedes your thinking. Article 27 is what is supreme as we speak. If somebody has been an employee, and it goes even further to say that an immediate member of the family, even a parent, will be discriminated against simply because you are a sibling to a Member of Parliament. That is unconstitutional. Article 27, by introducing this, already contravenes it. Remember this House has approved the Conflict of Interest Act. Conflict of interest means that where you find yourself in conflict, you declare it and there are mechanisms to deal with it...

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, we can make short comments because we are in the Committee of the whole House.

*(Hon. Onesmus Ngogoyo
spoke off the record)*

You have 30 seconds to complete.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Kindly, we have the Conflict of Interest Act. Hon. Ichung'wah, you were the sponsor. You cannot now say you do not know. There are means of sorting out a conflict in case it arises. But discriminating against somebody in law is wrong. It is against Article 27. Article 27 supersedes any other law that can be approved even by this House.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Chairlady, allow me first, to teach Hon. Ngogoyo English. You do not discriminate on law. You discriminate in law. That is English.

I stand to oppose this amendment. Again, based on precedent, we enacted and passed into law the Government-Owned Enterprises Act which has similar provisions. Therefore, two, if you were even to delete (b), then where would (a) stand? I base my argument on what the Chair has said, to fortify the Board from any interference by anyone. Suppose, for instance, a Cabinet Secretary who has been in the National Treasury leaves office on other issues and then goes to the Board. How will that Board work? I oppose, and we must oppose it.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. David.

Hon. David Kiplagat (Soy, UDA): Hon. Temporary Chairlady, I oppose the amendment on the basis that we want to introduce professionalism in the running of the Infrastructure Fund. Just the same way we are selling our shares...

*(Hon. Robert Mbui
spoke off the record)*

May I finish? Just the same way we are selling shares...

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): But you know he has just started making his point.

*(Hon. Robert Mbui
spoke off the record)*

Hon. David Kiplagat (Soy, UDA): May I proceed? May I proceed? Just the same way we are selling Safaricom to Vodacom, on the professionalism...

Hon. Robert Mbui (Kathiani, WDM): On a point of order.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): I am obliged to hear the Member for Kathiani. What is out of order?

Hon. Robert Mbui (Kathiani, WDM): Thank you for the opportunity, Hon. Temporary Chairlady. My colleague here has started by saying that we want to introduce professionalism. My proposal is that people who have been in Government should be allowed to serve on the Board. Is he, by any chance, insinuating that the people who work for the Government in Kenya are not professional? I want to propose that he withdraw that term and use another simpler term that he can understand.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Well, I will give him a chance to explain what he was saying.

Hon. David Kiplagat (Soy, UDA): May I explain what I am saying? If you see how the private sector is run and how the public sector is run, there is a big difference. What we want to introduce in the Infrastructure Fund is professionalism from the private sector. Independent minds that can see in terms of taking us to Singapore. We cannot be taken to Singapore if we do not introduce professionalism in the running of the Infrastructure Fund.

Thank you.

(Question, that the words to be left out be left out, put and negated)

(Clause 8 as amended agreed to)

Clause 9

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kimani Kuria (Molo, UDA): I beg to move:

THAT, Clause 9 of the Bill be amended by inserting the following new subsections immediately after subsection (5)-

- (6) A member of the Board who has a material interest in a matter subject to of discussions by the Board shall, as soon as reasonably practicable after the commencement thereof, disclose his or her interest in the matter and shall not take part in the deliberations over, or vote on, the matter.
- (7) A disclosure of interest made under this section shall be recorded in the minutes of the meeting at which it is made.
- (8) The Board shall cause minutes of all proceedings of its meetings to be entered in its records for that purpose.
- (9) A director who does not comply with the subsection (6) commit an offence and is liable on conviction to a penalty under section 36B.

This amendment seeks to address conflict of interest concerns, thus ensuring that the Fund is protected, its amounts are not siphoned off, and decisions are not made for personal reasons. This amendment is in line with the law we passed last year in the Conflict of Interest Act, which ensures impartiality in decision-making by those who will be appointed to the Board.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you, Chair.

(Question of the amendment proposed)

(Question, that the words to be inserted be inserted, put and agreed to)

(Clause 9 as amended agreed to)

(Clauses 10 and 11 agreed to)

Clause 12

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kimani Kuria (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 12 of the Bill be amended by inserting the following new paragraphs immediately after paragraph (j)—

- (k) reinvest into the Fund all the proceeds from any exit in an investment;
- (l) establish special purpose vehicles, pooled investment vehicles, infrastructure funds or other capital market instruments for purposes of mobilising private capital;
- (m) approve investments and transactions within the approved Investment Policy;

- (n) develop the Fund's business plan, approving of annual budgets and the related funding for the Fund;
- (o) invest in projects, including by way of equity or quasi-equity, based on the bankability of the projects, in accordance with the Investment Policy of the Fund;
- (p) originate projects in accordance with the Investment Policy.

This amendment seeks to provide additional powers to the Board, which are geared towards achieving the Board's broad purpose. The powers are in line with inventive and innovative ways of propelling the Fund and the country towards greater heights of infrastructure development, commonly known as the road to Singapore.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you.

(Question of the amendment proposed)

(Question, that the words to be inserted be inserted, put and agreed to)

(Clause 12 as amended agreed to)

Clause 13

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kimani Kuria (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, the Bill be amended by deleting Clause 13 and substituting therefor the following new clause—

Remuneration **13.** The Chairperson and the members of the Board shall be paid such allowances and any other benefits as the Cabinet Secretary may, on the advice of the Salaries and Remuneration Commission, determine.

We have a Constitution and we must ensure that all laws passed by this House adhere to it. We have the Salaries and Remuneration Commission, which is mandated to determine the salaries and allowances of all State officers.

Therefore, the Chairperson and the members of this Board, being State officers, their allowances or remuneration must only be as per the recommendation of the Salaries and Remuneration Commission and not by the Cabinet Secretary for the National Treasury and Economic Planning, as previously envisioned in the Bill.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 13 as amended agreed to)

Clause 14

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kimani Kuria (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

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THAT, the Bill be amended by deleting Clause 14 and substituting therefor the following new clause —

Committees of
the Board 14. The Board may constitute such committees from among its members as may be necessary for the performance of its functions under this Act.

Clause 14 only provided for the formation of an audit committee. Boards should be free to form as many committees as necessary, whether a finance committee, an investment committee, or others. Therefore, we are proposing an amendment to this clause so that the Board has the flexibility to constitute several committees that enhance efficiency in its performance.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 14 as amended agreed to)

Clause 15

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kimani Kuria (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 15 of the Bill be amended—

- (a) in subclause (4) by deleting the word “four” appearing immediately after the words “for a term of” and substituting therefore the word “three”
- (b) in subclause (5) by inserting the following new paragraph immediately after paragraph (a)—
“(b) be the administrator of the Fund;
- (c) by renumbering paragraph (b) as paragraph (c).

This amendment has two implications. One is to reduce the term of the CEO from a period of five years to a period of three years, renewable once, as per *Mwongozo*. Secondly, it is to assign an additional role to the Fund's CEO, so that the CEO serves as both the Fund's CEO and the administrator. The Bill currently provides for a Chief Executive Officer (CEO) and an Administrator of the Fund appointed by the Cabinet Secretary, but with this amendment, the CEO will execute both roles.

I beg to move, Hon. Temporary Chairlady.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman, before I propose the question of the amendment, could you go on record to confirm whether we are amending the Bill from four years to three years or from five years to three years?

Hon. Kuria Kimani (Molo, UDA): We are deleting the word “four” in Subclause (4) and replacing it with the word “three”.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you very much.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you, Hon. Temporary Chairlady. I thank the Chairperson of the Committee for this amendment because the original wording of the Bill would have caused confusion. I am very happy to see that the CEO of the Fund will also be the Administrator of the Fund. That is the best practice.

I support the amendment.

*(Hon. Omboko Milemba
spoke off the record)*

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): What is out of order, Hon. Omboko Milemba?

Hon. Omboko Milemba (Emuhaya, ANC): Hon. Temporary Chairlady, nothing is out of order.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Okay. Would you like to contribute to the amendment?

Hon. Omboko Milemba (Emuhaya, ANC): Hon. Temporary Chairlady, I support what the Chairman has said. A similar mistake was made in the Public Service Superannuation Scheme (PSSS), which has both an Administrator of the Fund and a CEO of the Fund. That has brought a lot of confusion and the Administrator of the Fund has become a rival to the CEO. You have done very well.

*(Question, that the words to be left
out be left out, put and agreed to)*

*(Question, that the words to be inserted in
place thereof be inserted, put and agreed to)*

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(Clause 15 as amended agreed to)

Clause 16

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Proceed, Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, the Bill be amended by deleting Clause 16.

This is a consequential amendment. Now that the CEO is also the Administrator of the Fund, we need to delete Clause 16 that was giving powers to the Cabinet Secretary to appoint an Administrator of the Fund, who would have been different from the CEO.

(Question of the amendment proposed)

*(Question, that the words to be left
out be left out, put and agreed to)*

(Clause 16 deleted)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Mbui also had an amendment to this Clause. Now that the Chair's amendment has been carried, Hon. Mbui's amendment falls.

*(Proposed amendment by
Hon. Robert Mbui dropped)*

Clause 17

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 17 of the Bill be amended by deleting the words "subject to such guidelines as the Cabinet Secretary may issue" and substituting therefor the words "on advice of the Salaries and Remuneration Commission".

This is subject to what we did in a previous Clause. We are ensuring that the remuneration of these officers is as per the guidelines of the Salaries and Remuneration Commission.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): I do not see any interest in this.

*(Question, that the words to be left
out be left out, put and agreed to)*

*(Question, that the words to be inserted in
place thereof be inserted, put and agreed to)*

(Clause 17 as amended agreed to)

Clause 18

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, the Bill be amended by deleting Clause 18 and substituting therefor the following new clause:

Business plans

18. (1) The Board shall, prior to the commencement of a financial year, prepare and adopt a business plan based on the Investment Policy of the Fund.

(2) The business investment plan shall be effective on the first day of the financial year to which it applies.

(3) The business plan shall form the basis of performance targets of the Fund.

This particular amendment has two matters of concern. One is the investment policy. Clause 18 was introducing a business plan. After the approval of the investment policy by the Cabinet, the Board will form a business plan, which must be in line with the investment policy approved by the Cabinet and the National Assembly. We will later move an amendment to ensure the investment plan is approved by the National Assembly.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Members who have an interest in speaking to the amendment, please press the intervention button. Hon. Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Hon. Temporary Chairlady, we just want the Chairman to go on record that the investment policy will be passed by the House. Is that the case? Will it come to Parliament? That is not reflected in this amendment.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Give the microphone to the Chairman.

Hon. Kuria Kimani (Molo, UDA): Thank you, Hon. Makali Mulu, for that clarification. I said that I would move a further amendment later. Remember, the Bill provided for an investment policy that was supposed to be approved by the Board and the Cabinet, but not by the House.

(Hon. Alice Ng'ang'a stood in her place)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Member for Ruiru, move behind where the Member for Taita Taveta is so that I can see the Chairman of the Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, that is the Member for Thika, also known as *Mama Simba*.

The decision-making process would be that an investment policy will be approved by the Board of the Fund. It will then be taken to the Cabinet for approval. Thereafter, it will come to this House for approval. I will propose that amendment later. However, the Clause was providing for an investment business plan. The amendment is giving the condition that the investment business plan must be as per the investment policy that has been approved by the Cabinet and this House.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you. I can hear Hon. Members saying "excellent".

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 18 as amended agreed to)

Clause 19

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move: THAT, Clause 19 of the Bill be deleted.

We are deleting the entire Clause because we found it a bit administrative. It was stipulating how the Cabinet Secretary would relate to the Fund performance, but these are matters that can be addressed in the regulations. They are too prescriptive and administrative to be in an Act of Parliament. If the Cabinet Secretary feels that they are necessary, they can be handled through the regulations. We would be setting a very bad precedent if such administrative and prescriptive day-to-day running of an institution were anchored in an Act of Parliament.

(Question of the amendment proposed)

I see an intervention by Hon. Peter Salasya. Is he in the House? He left his card behind. Member for Endeless, Hon. (Dr) Pukose.

Hon. (Dr) Robert Pukose (Endeless, UDA): Hon. Temporary Chairlady, I support the Committee on the deletion of this Clause. Performance management is a legal requirement. The performance contracting process is already stipulated for each Ministry. The clause is prescriptive and its provisions should fall under the regulations, not the Act.

I support the amendment.

(Question, that the words to be left out be left out, put and agreed to)

(Clause 19 deleted)

Clause 20

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move: THAT, Clause 20 of the Bill be deleted.

Clause 20 was also providing for performance contracting just like Clause 19. The Clause does not need to be anchored in an Act of Parliament because it is too administrative and prescriptive.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Clause 20 deleted)

Clause 21

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move: THAT, Clause 21 of the Bill be amended—

- (a) in subsection (1) by deleting the word “Board” and substituting therefor the word “Governing Council”;
- (b) in subclause (2) under paragraph (e) by inserting the words “and leverage ratios” immediately after the word “distribution”;
- (c) by inserting the following new subclause (4) immediately after subclause (3)—

“(4) The Board shall establish a formal risk management framework, approved by the Governing Council, to identify, measure, monitor and manage financial and contingent liabilities, and ensure all investments and commitments comply with the Public Finance Management Act, and any other applicable law.”

We are creating a governing council above the Board. The council is meant leverage on its expertise, so that it can include things like leverage ratios that seek to increase investor confidence and promote prudent portfolio management.

This proposal also seeks to establish a risk management framework that will strengthen governance, align the Fund with the best practices, infrastructure financing, and ensure the financial integrity of the Fund. We thought that professionals or institutions like the Central Bank of Kenya (CBK) should be involved in governing this fund. And because we already

have a board, we create another oversight body or advisory body that is going to oversee the operation of the fund to ensure that it operates in the best interest of the whole of the Republic of Kenya. To achieve this, we need a governing council with oversight of institutions such as the CBK, people who have a bird's-eye view of the operations of the whole Republic.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you.

(Question of the amendment proposed)

Leader of the Majority Party. The Chairman's amendment is very good. I support it. The governing council that is established will have that additional role of ensuring that there is a formal risk management framework that is put in place, and can draw on the expertise of other professionals in risk management.

This amendment seeks to allay the fears of those who say this fund will be managed politically or that it will not be utilised properly.

Let me thank the Committee for this good proposal. As I have just said, it seeks to allay the fears of those who thought that this fund may be misused. For every investment decision made, there will be some risk analysis that done and mitigation measures put in place.

Thank you.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you. Hon. Charles Ngusya Nguna, CNN.

Hon. Charles Nguna (Mwingi West, WDM): Hon. Temporary Chairlady, I just want to support this Clause. It is going to increase the confidence of those who are opposing of this Bill. No doubt having the Council of Governors in place will bring a lot of expertise.

I support the amendment.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman, sorry, let us first have the honourable Major Raso.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Temporary Chairlady. I am not a Major; I am a Colonel.

Hon. Harrison Kombe (Magarini, ODM): On a point of order.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): What is out of order, Hon. Member for Magarini?

Hon. Harrison Kombe (Magarini, ODM): Thank you, Hon. Temporary Chairlady. I heard Hon. Charles Nguna say, "by including the Council of Governors".

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): No, let him debate. The Member has already made his point. I listened to him. You may proceed, Hon. Raso.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Temporary Chairlady. That is water under the bridge. We are aware that the board will be managing the fund while the council has the bird-eye view of the same. However, they have not defined "the council" in the Bill. It is necessary for it to be defined.

Thank you.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman, make it brief.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, the honourable Colonel's question is very valid. I will be moving new Clause 5A, which now defines the governing council and its members. This will be covered in the new Clause 5A.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you. I can see him nod. We can proceed.

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Question, that the words to be inserted be inserted, put and agreed to)

(Clause 21 as amended agreed to)

Hon. Members, Clauses 16,19 and 20 were to be deleted. They are not part of the Bill.

(Clauses 16, 19, and 20 deleted)

Clause 22

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 22 be amended by deleting and substituting therefor the following new clause—

Project
Preparation

22. (1) Project preparation for the purpose of this Act shall be undertaken in accordance with the provisions of section 31 and 32 of the Public Private Partnership Act.

(2) The Board shall require that each proposed project requiring consideration by the Board for funding be supported by an approved feasibility study.

(3) The Fund may engage development finance institutions, which Kenya is a member, to provide project preparation, structuring and finance support or such other expertise as may be necessary for the implementation of the Act.

Hon. Temporary Chairlady, Clause 22 was to provide for additional functions of the Board, which included conducting feasibility studies, tendering process, and several other issues as outlined on Clauses 22, 23, and 24. On further scrutiny, we noticed that Clause 22 replicates almost word-for-word Section 31 (1) of the Public Private Partnerships Act. Therefore, this amendment seeks to avoid duplication of functions. It seeks to retain the Fund for strategic commercial investment and leave the operation and development role of the Public Private Partnerships (PPPs) Directorate as envisioned by the Public Private Partnerships Act.

One example is Temasek, Singapore's leading global government-led fund, which is an ideal benchmark. It has the money to identify a pipeline of investment in sectors from various sources, with feasibility study-ready projects that are just awaiting approval. We do not have to reinvent the wheel. Now that we already have a State Department that is mandated by Section 31(1) of the Public Private Partnerships Act to cover this particular mandate. This fund can leverage on the work already done by that particular entity, so there is no duplication of duties.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you.

(Question of the amendment proposed)

Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Chairlady, I rise to support this amendment. Notably, some people only show up during the Second Reading because they have a microphone and cameras in front of them. They come speak and say things

that are untrue, just to speak to the gallery out there and get news byte clips. You will not find any such person here today when we are doing the actual legislative work.

I must thank Hon. Ngogoyo, Member for Kajiado North, Hon. Oundo and Hon. Makali Mulu. They stood here and opposed this Bill, but they are here doing the actual legislative work.

(Applause)

But these people who are used to lecturing people in lecture halls came here and told us that this Fund is nothing close to the Australian Future Fund or the Temasek fund for Singapore yet they are not here today.

Hon. Member: Shame!

Hon. Kimani Ichung'wah (Kikuyu, UDA): I must commend the Chairman and the Committee. One must be a serious leader if they are elected to Parliament to come and legislate on behalf of the people. Do not just speak in funerals, lecture halls and conference rooms in hotels. One cannot be only moving from one lecture hall to another lecturing people, seemingly wanting to look intelligent when you are actually not intelligent at all.

(Hon. Robert Mbui raised his hand)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): There is nothing out of order, Hon. Mbui.

Hon. Kimani Ichung'wah (Kikuyu, UDA): As I said yesterday, and the Chairman seconded, this fund is an investment vehicle. And indeed, this amendment is now buttressing that fact. This fund is similar to the Temasek in Singapore, the Future Fund in Australia, the South African National Infrastructure and Investment Fund, or the Japanese Investment and Infrastructure Fund.

Hon. Member: Yes!

Hon. Kimani Ichung'wah (Kikuyu, UDA): So let me tell those people, and they know themselves, I do not need to name them. When you are a young person and a young leader, do not copy the habits of those older leaders who have no plan, agenda or basis for what they say. They just appear in the National Assembly, get a clip to cut for Citizen TV News in the evening, then they think they are heroes; they are actually the villains. You are a failure as a leader if all you do is speak to the gallery but you cannot be here to legislate. We have a particular Member in bitterness like those who were also bitter for other reasons. They should copy the likes of Hon. Mbui, Hon. Makali and Hon. Oundo. Even Hon. Ngogoyo is doing very well today. He is here legislating. I wish you could foot thump for those Members.

(Applause)

I support this amendment because it is buttressing the fact that we are creating a National Infrastructure Fund that will be an investment vehicle to make investments in commercially viable infrastructural projects that we will lift off from our budget.

Recently, a Member was lecturing us telling us that this is nowhere close to Temasek and that Temasek is an investment company. The other day I heard Hon. Junet tell them not to bring their lecture notes to Parliament. Parliament is about making laws and legislation. I hope they have heard me so that they grow up.

(Laughter)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Thank you.

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 22 as amended agreed to)

Clause 23

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairperson of the Departmental Committee on Finance and National Planning. It is a deletion.

Hon. Kuria Kimani (Molo, UDA): I beg to move:

THAT, Clause 23 be deleted.

The explanation is as I gave above about conducting feasibility studies. It does not need to be duplicated. It has already been provided for by the Public Procurement and Asset Disposal Act (PPADA) of 2015. The Leader of the Majority Party has also explained it.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, I will not put the question since this is a deletion.

(Question, that the words to be left out be left out, put and agreed to)

(Clause 23 deleted)

Clause 24

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kuria Kimani (Molo, UDA): I beg to move:

THAT, Clause 24 be deleted.

Again, the deletion is in line to make sure that the NIF makes use of already established laws such as Section 31 of the PPADA that gives particular mandates for such transactions.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, I will not put the question since this is a deletion.

(Question, that the words to be left out be left out, put and agreed to)

(Clause 24 deleted)

Clause 25

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Robert Mbui you have an amendment.

Hon. Robert Mbui (Kathiani, WDM): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 25 of the Bill be amended in subclause (1) by inserting the words in consultation with the Board” immediately after words “may”.

It reads that the Cabinet Secretary may issue Government support measures to investment projects of the Fund. My proposal is that we introduce the Board in that decision so that it reads that the Cabinet Secretary may, with the approval of the Board, issue Government support measures to investment projects of the Fund. My intention is to ensure the Cabinet Secretary is working in consultation with the Board.

(Question of the amendment proposed)

Hon. Kuria Kimani (Molo, UDA): I find the proposal by the honourable Deputy Leader of the Minority Party too prescriptive and administrative. We do not need to have a section of the law to outline the relationship between the Cabinet Secretary and the Board. There are already guidelines on corporate governance

Therefore, I oppose that amendment.

(Question, that the words to be inserted be inserted, put and negated)

(Clause 25 agreed to)

Clause 26

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Chairman of the Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): I beg to move:

THAT, Clause 26 of the Bill be amended—

(a) in subclause (2) by deleting the word “may” and substituting therefor the word “shall”;

(b) in subclause (3) by deleting and substituting therefor the following new subclause—

(3) The Cabinet Secretary shall publish, information based on analysed annual reports to Cabinet and the National Assembly.

(c) by inserting the following new subsections immediately after subsection (3)—

(4) The report prepared under subsection (1) shall include details of—

(a) the audited financial statements of the Fund and the audit report;

(b) the investment strategies and policies determined by the Board and the level of compliance;

(c) the performance of the Fund including—

(i) all payments to the Fund during the year it relates;

(ii) all investments made during the year;

(iii) total income received from investments during the year;

- (iv) an analysis and explanation of performance for each component during the year it relates; and
- (v) cash balance at the end of the financial year including a list of qualifying instruments used in that financial year; and
- (d) any other information that the Board considers necessary or as may be directed by the Cabinet Secretary to be included.

One of the key amendments is to Clause 26(2). The Bill stated that the Cabinet Secretary “may” make half-yearly reports. We are replacing that with the Cabinet Secretary “shall” because the people shall.

The proposed amendment also seeks to correct clerical errors and provide comprehensive details of which reports of the Fund will be contained. The information will help shed light on operations of the Fund thus boosting investor confidence and securing monies for the Fund. One of the requirements is prescribing how those reports will be tabled to this House for scrutiny by this honourable House.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Sabina Chege.

Hon. Sabina Chege (Nominated, JP): Thank you.

I support the amendment. If you look at the flow of things from (1) is that the Fund shall make quarterly and annual reports. Even for the second one, it is important to add “shall” so that it becomes compulsory and not optional.

I support.

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Question, that the words to be inserted be inserted, put and agreed to)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): On the same Clause 26, we have an amendment by Hon. Duncan Mathenge. You may prosecute your amendment.

Hon. Duncan Mathenge (Nyeri Town, UDA): I beg to move:

THAT, Clause 26 of the Bill be amended by deleting subsection (2) and substituting therefor the following new subsections—

- (2) The Cabinet Secretary shall make half-yearly reports on the Fund to the Cabinet and quarterly to the National Assembly.
- (2A) The reports to the National Assembly shall include—
 - (a) financial performance of the Fund;
 - (b) infrastructure projects approved and financed during the quarter;
 - (c) progress in implementation of ongoing projects; and
 - (d) procurement and contract awards issued under the Fund.

The intention is to have full early disclosures in the course of the commitment of funds and projects as opposed to normal disclosures to Parliament through reports of the Auditor-General when everything has already happened.

(Question of the amendment proposed)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kuria Kimani (Molo, UDA): In terms of flow of activities and approvals, remember this House has already approved the investment policy by the time we come to these reports. That investment policy cannot be implemented without the approval of this House.

We must also be careful not to be too overreaching on the mandate of the Executive because our role is to oversee. Thus, we become party to the decisions of the Executive if we are the one to approve every stage of implementation. Our role should be to oversee the decisions of the Executive since we only approve the investment proposal.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Murugara.

Hon. George Murugara (Tharaka, UDA): Thank you very much.

The role of Parliament is to oversee what the Executive does. We can only oversee where an action has been taken so that we weigh against set down principles. This Board will not be able to work if it has to report in every three months. Let us have annual reports as is the norm of this House. We will look at them and this House has the power to take action where the Executive has done anything contrary to the law.

Therefore, I do not agree with that proposal.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Beatrice Elachi.

Hon. Beatrice Elachi (Dagoretti North, ODM): While I want to agree with the Chairman, I also want us to think through. You can see how the Social Health Authority (SHA) is really pushing us. Sometimes it ends up eating us in this House. This is a very important Fund. Let us not just push because we would want it to be the way it is, but let us think through it. This is because in the end, Parliament will be burdened with all the issues we have had. I agree with Hon. Mathenge, but we just need to see how to reorganise it and present it better.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. David Mboni.

Hon. David Mwalika (Kitui Rural, WDM): Thank you very much, Hon. Temporary Chairlady. As a Member of the Departmental Committee on Finance and National Planning, this is something which we really discussed. We are talking about multi-billion projects and not small projects. For example, if we are doing an airport, do you want a report on quarterly basis on the construction of an airport? I think that is too much. Annual reports are more adequate than quarterly reports.

Thank you.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): The last one is Hon. Raso.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Chairlady. I am opposed to that amendment. Firstly, you cannot attempt to micromanage the big projects. Secondly, if you say that a committee will be getting quarterly or monthly reports, then inevitably it is as if you will be part of that project. For that reason, let us just look at the annual reports.

Thank you.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Can I now put the question?

(Loud consultations)

Hon. Robert Mbui.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Chairlady. I have listened to the...

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): I had said that if you want to participate in this you go to the intervention button. This Table is a bit high so I am not able to see where you are seated.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Chairlady. I have listened to Hon. Duncan Mathenge. His proposal is a beautiful one because it gives power to this House. One of the arguments we had was that we are not getting enough Parliamentary oversight over these funds. His proposal which is a very good one is that we get more powers as a House. I am just wondering what the harm is if this House is able to carry out oversight. Oversight is not just waiting until things happen. Oversight is ensuring that we are aware of whatever is happening and we can accept or reject.

I support this proposal. I urge Members of the other side to please let us legislate together. Let us make something better for ourselves. Let us give ourselves power. Do not take away power. It is time for us to take power.

(Laughter)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Hon. Members, I am tempted to put the question, but since the Chairman's hand is up, he will be the last one.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I want us to be realistic with the work that this honourable House does. Look at how we are lagging behind even in our mandates in our respective committees. Now that we are speaking to this, we have had discussions with several Chief Executive Officers (CEOs) and heads of parastatals and their board members. Board members tend to have weekly or bi-weekly meetings in those entities. Therefore, if we have to bring these here every quarter for approval, these projects will never take off. If we are very lucky, we could only do one or two projects in a year. That means we will be required to bring reports here that do not even have any merit. That is why we rejected that amendment.

(Question, that the words to be left out be left out, put and negated)

(Clause 26 as amended agreed to)

Clause 27

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Chairman.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 27 be amended —

(a) in subsection (1) by deleting the word “make” appearing before the word “publish”; and

(b) in subsection (2) by deleting paragraph (c).

In part (a) it would read that the Cabinet Secretary shall publish and publicise on the National Treasury website. This amendment is seeking to correct these clerical errors and remove redundancies. Since we already acknowledged the role of Ethics and Anti-Corruption Commission (EACC) on matters of anticorruption, I do not have to repeat that as repeated in subsection 2 on deleting paragraph (c).

(Question of the amendment proposed)

Hon. Members: Put the question.

(Question, that the words to be left out be left out, put and agreed to)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): We have another amendment by Hon. Duncan Mathenge. You may prosecute your amendment.

(Loud consultations)

Hon. Duncan Mathenge (Nyeri Town, UDA): Thank you, Hon. Temporary Chairlady.

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): Please give him time to make a decision on whether he wants to proceed.

Hon. Duncan Mathenge (Nyeri Town, UDA): I am proceeding, Hon. Temporary Chairlady. My work in this House is to contribute to legislation.

Once again, transparency and public scrutiny by citizens on investment, the right to information and also being able to track how taxpayers' funds are being utilised...

(Hon. Kimani Ichung'wah spoke off the record)

The Temporary Chairlady (Hon. (Dr) Rachael Nyamai): I would like you to just go direct to the amendment. Do not debate.

Hon. Duncan Mathenge (Nyeri Town, UDA): Hon. Temporary Chairlady, I beg to move:

THAT, Clause 27 of the Bill be amended in subsection (2) by inserting the following new paragraphs immediately after paragraph (c)—
 “(d) infrastructure projects financed under the Fund;
 (e) procurement documents and contract awards issued;
 (f) contractors and beneficial ownership information; and
 (g) payments made and progress reports of the projects.”

*[The Temporary Chairlady
 (Hon. (Dr) Rachael Nyamai) left the Chair]*

[The Chairlady (Hon. Gladys Boss in the Chair)]

Hon. Chairlady: Yes, Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Propose.

Hon. Chairlady: Let me propose first.

(Question of the amendment proposed)

You know I cannot see you people. Yes.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Chairlady, I beg to oppose. If you know you know. If you read the kinds of things the Hon. Member for Nyeri Town is proposing, if you know you know. Payments made and progress reports on projects; if you know you know. We must oppose this because it is dangerous for this House. Very, very dangerous and we must oppose. I have said that if you know you know. I would advise the Member for Nyeri Town not to tread along the lines he is treading. It is a very dangerous and slippery path that you are treading on.

(Laughter and loud consultations)

Hon. Chairlady: Yes, Hon. Mbui.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Chairlady. I rise to support the amendment proposed by Hon. Duncan. I listened to the Leader of the Majority Party, and even in his own disapproval of the same, he never said anything. He just said “if you know you know”. We do not know what he wants us to know. He should have made it clear. But Hon. Duncan has made it clear on why he wants this amendment. I support him.

Hon. Chairlady: Hon. Oundo then Hon. Elachi.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Hon. Chairlady, the problem with this country is that people like selling fear. As we always say, we have no money to buy fear. We are broke. So, Leader of the Majority Party, do not sell to us fear. We have no money to buy fear. We are broke.

(Laughter)

*(Hon. Kimani Ichung'wah
spoke off the record)*

The intention of the amendment is noble because there needs to be full disclosure at any given time. But I do not know some things...

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of information, Hon. Chairlady.

Hon. Chairlady: Have you finished making your contribution, Hon. Oundo?

Hon. Kimani Ichung'wah (Kikuyu, UDA): He has agreed to be informed.

Hon. Chairlady: Okay. Proceed.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Oundo is a good debater and I would like to inform him. He knows that disclosure of information is adequately covered for in the Bill. I advise my younger brother, Hon. DMM, because he knows what I know and I know he knows I know and we all know. I just do not want to say it. Bu, if he dares me to say it, I will do so.

Hon. Chairlady: Yes, Hon. Oundo. Please be quick.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): I have received the information gladly. As we debate, normally at any given time, all Departmental Committees are expected to receive reports on budget performance and output on quarterly basis. We need to tie up around that line so that as we legislate, we do not double-legislate on what already exists. That is why I said, in nobly, it is a very good idea but we need to discuss and see how best to put it to avoid over legislation.

Thank you.

Hon. Chairlady: Hon. Elachi.

Hon. Beatrice Elachi (Dagoretti North, ODM): Thank you, Hon. Chairlady. This retires the proposed amendment by Hon. Mathenge. The amendment by my brother, Hon. Member of Parliament for Nyeri Town, will not be a right amendment for our House. Already, it is a breach of conflict. We will have a lot of challenges if we try to do such a thing.

Hon. Chairlady: Thank you, Hon. Members.

*(Question, that the words to be
inserted, put and negatived)*

(Clause 28 agreed to)

Clause 29

Hon. Chairlady: There is an amendment. Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move:

THAT, the Bill be amended by deleting Clause 29 and substituting therefor the following new clause—

29. The monies of the Fund shall include-

- (a) proceeds of privatisation under the Privatisation Act;
- (b) proceeds from the sale of shares in a government linked corporation under section 87A of the Public Finance Management Act; and
- (c) proceeds from investments undertaken by the Fund.

This particular amendment seeks to provide clarity on the sources of funds for the Fund and remove ambiguities. For the record, the monies of the funds include proceeds of privatisation under the Privatisation Act, profits for the sale of shares in a government-linked corporation under Section 87(A) of the PFA Act and profits undertaken by the Fund.

(Question of the amendment proposed)

Hon. Chairlady: Proceed, Hon. Makali.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you very much, Hon. Chairlady.

I support this amendment for the reason we gave yesterday that we need to appreciate that this money will form part of our public debt.

I support.

Hon. Chairlady: Yes, Hon. Oundo.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Once again, I support and ask the Almighty God to bless the Leader of the Majority Party and the Hon. Chairman of the Committee.

For record purposes, what we normally debate here is the Bill as published. The Committee Report is only meant to support and widen our thinking.

Ahsante sana. Mwenyezi Mungu awabariki.

Hon. Chairlady: Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Chairlady, Hon Oundo keeps blessing me and the Hon. Chairman. He is just being mischievous because he has been here long enough to know that committee reports serve to inform debate in the House.

This is also to allay the fears of those who are not aware of that fact. Yesterday, incase he has forgotten, Hon. Oundo told us that we should shred this Bill and republish it. I told him, if he reads it together with the committee Report, many of the issues are addressed, including the fear that the Fund could be used to borrow. This Fund will not be used to borrow because it is an investment Fund.

I thank Hon. Oundo for blessing the Chairman, Members of the Departmental Committee on Finance and National Planning and I. May the Lord also bless him and guide him in all ways to that every time he speaks, he speaks the truth.

Thank you.

(Laughter)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

Hon. Chairlady: Now that the Chairperson's proposed amendment has been carried, Hon. Mbui's amendment falls.

*(Proposed amendment by
Hon. Robert Mbui dropped)*

(Clause 29 as amended agreed to)

(Clause 30 agreed to)

Clause 31

Hon. Chairlady: Hon. Chairman, move the amendment.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move:

THAT, the Bill be amended by deleting Clause 31 and substituting therefor the following new Clause —

Bank accounts.

31. (1) The monies of the Fund shall be held in a bank account at the Central Bank of Kenya.

(2) Any income of the Fund shall be held in an account at the Central Bank of Kenya.

(3) The monies held in the capital account and the income account shall not be drawn except as approved by the Board for its operations and investments in accordance with the purposes of the Fund.

(4) The Fund may operate other bank accounts in commercial banks in the name of the Fund for investment and operational purposes.

The amendment provides clarity on where these funds are going to be held. This is because we are amending the Clause to read, "the Bill be amended by deleting clause 31 and substituting therefor the following new Clause: The monies of the Fund shall be held in a bank account at the Central Bank of Kenya (CBK)." What was read in the Bill was, "the administration of the Fund shall cause the bank to be opened in the name of a fund and be obtained in a bank regulated by the Central Bank of Kenya."

That would mean that these monies would have been operated by a bank regulated by the CBK. We do not want proceeds of the Initial Public Offer (IPO) of Kenya Pipeline Company (KPC) that is in excess of Ksh100 billion to be held in Commercial Bank whereas we have the CBK. We are will lose interest. This is the same money that we borrow as overdraft facilities. Therefore, we are expressively saying that money in this Fund shall only be held at the CBK by providing a rider on sub clause 4, that the Fund may operate other bank accounts in commercial banks in the name of the Fund for investment and operational purposes.

In case they need to pay for office rent or food allowances, then that money can be operated in a bank. But, the main account of the bank shall be CBK.

(Question of the amendment proposed)

Hon. Chairlady: Hon. Makali.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you very much Hon. Chairlady. As I support this amendment, we need to be cautious because from July, we will move to a single National Treasury account. We know what that means. It is being phased out. We may need to check with the National Treasury to find out if this kind of fund will also belong under the Single Treasury Account. It is okay to talk about the CBK, but when we talk about it might then go to commercial accounts, that might cause confusion.

Hon. Chairlady: Let me listen to the Chairman of the Budget and Appropriations Committee, then I will come to the Leader of the Majority Party.

Hon. Samuel Atandi (Alego Usonga, ODM): Hon. Chairlady I did not intend to oppose the amendment. However, I am just questioning the wisdom behind the amendment because my understanding is that this Fund is supposed to attract private investment. And we cannot restrict private investments to the CBK.

You need to open up the Fund so that it is really a fund that is operating like a private fund. If you bring Government bureaucracy to the Fund in terms of banking, then the possibility that you are still curtailing this Fund is going to appear. Though I do not want to oppose the amendment, I am just trying to think loudly that let us not bring Government bureaucracy like fixing that this Fund must sit in Government account. I have a background in banking, and the Leader of the Majority Party knows, and there is nothing wrong if this Fund sits at KCB because this is also a government bank.

Thank you.

Hon. Chairlady: Yes, Leader of the Majority Party. Then we will go to the Chairperson.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Chairlady, the Chairperson of Budget and Appropriations Committee is saying I know because he used to work with my wife in the bank. So, he is speaking as a banker now. However, this is a good amendment and I support because customarily you find very many funds being managed by the national Government and even funds in county governments being put in commercial banks. That money ends up staying in those commercial banks. Government gets need to borrow, probably to pay your salaries at the end of the month, and it goes back to the same commercial banks to borrow at an interest.

That is what the Chairperson was saying – that the Fund's account will be held in the CBK. Just to allay the fears of Hon. Atandi, that does not mean there will be no other commercial bank accounts being opened. For instance, if they need to pay their salaries or their recurrent expenditure, you cannot expect that that money for their recurrent expenditure will be held in CBK. They will have the leeway to open a commercial bank account but the Fund's solid capital should be held in CBK so that even any interest earned by that money should be public money. There is no other business in this country that can give you the kind of returns that banks get and most of that money comes from the public sector. Let us keep public sector money in the public sector and those who come in with their private equity can open commercial bank accounts. Nothing stops them from opening commercial bank accounts. I support the amendment by the Chairperson.

Hon. Chairlady: Yes, Hon. Murugara. Hon. Members, I know many Members have said that they would like to leave for Emurua Dikirr. So, we might end up losing quorum if we continue like this.

Hon. George Murugara (Tharaka, UDA): Thank you very much. There is no problem with the first provisions 1, 2, and 3 but when it comes to number 4, it does open up again number 1, 2, and 3 because this is an investment fund. Out of abundant caution, my view would have been that the Fund may operate other bank accounts in the commercial banks in the name of the Fund in respect of a particular investment. Otherwise, you open an account in CBK and tomorrow, because it is an investment fund, you move all of it to commercial banks. That is

the risk that we are seeing here because the conjunction “and” is used in respect of operational purposes.

Hon. Chairlady: Point taken. Thank you.

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 31 as amended agreed to)

(Clause 32 agreed to)

Clause 33

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): I beg to move:

THAT, Clause 33 of the Bill be amended by inserting the words “and in accordance with Article 228 (5) of the Constitution” immediately after the word “established”.

This amendment is seeking to provide clarity on the withdrawal of the funds and the constitutional underpinning. Just to bring clarity, because I think the contribution by my co-chairperson for budget may have given a different signal, what we just approved in the previous clause is to make sure that those funds are deposited in the CBK and only money for operational purposes or for investment purposes will be transferred to a commercial bank. I think it is important that we provide that clarity. Thank you, Hon. Chairlady.

Hon. Chairlady: Thank you.

(Question of the amendment proposed)

I think this is rather straightforward.

(Question, that the words to be inserted be inserted, put and agreed to)

(Clause 33 as amended agreed to)

Clause 34

Hon. Chairlady: Mover of the amendment, Hon. Mbui.

Hon. Robert Mbui (Kathiani, WDM): Hon. Chairlady, I beg to move:

THAT, Clause 34 of the Bill be deleted.

This is a clause that says that the Board may, with the approval of the CS, invest any surplus funds in government securities. However, looking at the situation and noting that a message has come to this House telling Members how to vote, I want to drop that amendment because it will never see light of day.

Hon. Chairlady: I will not take note of what you have said. I will just proceed to the voting. The Members will be at liberty. You have dropped it. Okay, so there is no amendment.

*(Proposed amendment by
Hon. Hon. Robert Mbui withdrawn)*

(Clause 34 agreed to)

Clause 35

Hon. Chairlady: Mover of the amendment.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move:

THAT, Clause 35 of the Bill be amended by deleting and substituting the following new clause—

Annual estimates. **35.** (1) At least three months before the commencement of each financial year and in accordance with the Public Finance Management Act, the Board shall cause to be prepared the estimates of revenue and expenditure of the Fund for the financial year.

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(2) The annual estimates shall provide for all the estimated expenditure of the Fund for the financial year, and in particular, shall provide for—

- (a) the payment of salaries, allowances and other charges in respect of the staff of the Fund;
- (b) the payment of pensions, gratuities and other charges in respect of the staff of the Fund;
- (c) the maintenance of buildings, other equipment and other property of the Fund; and
- (d) the acquisition, maintenance, repair and replacement of the equipment and other movable or immovable property of the Fund.

Clause 35 seeks to provide clarity on the annual estimates of the Fund in accordance with the Constitution and the Public Finance Management Act. In short, all the operations of these funds, including the expenditures and the incomes, will have to follow the rules as per the PFM Act in terms of their preparation and their submission to this House.

I beg to move.

(Question of the amendment proposed)

Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 35 as amended agreed to)

Clause 36

Hon. Chairlady: Mover of the amendment?

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move:

THAT, Clause 36 of the Bill be amended in subclause (2) by deleting the word “four” appearing immediately before the word “months” and substituting therefor the word “three”.

This is to reiterate that this Fund will still be subject to the Public Audit Act. Therefore, there is an express provision that their financial statements must and shall be audited by the Auditor-General. Hon. Chairlady, if you remember, last year we passed an amendment to the Public Audit Act that reduced the period for submission of financial statements to the Auditor-

General from four months to three months. Therefore, this particular amendment is now aligning to Section 47(1) of the Public Audit Act, CAP 412(B), and also with our constitution that requires that all public funds and all public accounts must be subject to audit by the Auditor-General. They must submit their financial statements to the Auditor-General within three months after the end of a financial year.

Hon. Chairlady: Thank you, Hon. Chairperson. That is self-explanatory.

(Question of the amendment proposed)

The Chairlady: Yes, Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Chairlady, I do not need to add much on this, but I support. I also wish to say that when we moved this Bill the day before yesterday, I emphasised this point, that this Fund is subject to the Public Audit Act. This amendment improves the Bill in the sense that the Bill had required that the financial statements be sent to the Auditor-General four months after the end of the financial year.

The Committee, as we said in the debate, and as the Chair mentioned, had proposed an amendment to reduce that period, in line with the amended Public Audit Act. That is from four months to three months. That gives Parliament the opportunity, which some of us were saying we would be denied, to exercise oversight over this Fund. Three months after the end of the financial year, the Auditor-General has the books, finishes the audit, which comes to our Public Accounts Committee and the Public Investments Committee, and we now do our work as overseers of this Fund.

Thank you, Hon. Chairlady.

The Chairlady: Yes, Hon. Oundo. I thought you were happy about that one?

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Of course, I am a happy man today. Once we finish, I will carry the Chairperson, and we will go to where we normally go.

(Laughter)

I want to emphasise a point. The point I want to emphasise is the timelines for submission of the audited reports and the timelines taken to review the same by the National Assembly. There has been a court case that has made a very far-reaching judgment in respect of the timelines. I urge the National Assembly to do all that it can to make sure that the audit reports that are submitted here are up to date and are as current as they can be.

Thank you for the amendments.

The Chairlady: Following that lawsuit, they have sped up the work of the various Committees, and the Clerk has given them ample support for them to make it on time. We do not have that mischief anymore. It has already been mitigated.

(Question, that the word to be left out be left out, put and agreed to)

(Question, that the word to be inserted in place thereof be inserted, put and agreed to)

(Clause 36 as amended agreed to)

(Clause 37 agreed to)

New Clause 5A

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THAT, the Bill be amended by inserting the following new clauses immediately after Clause 5-

5A. (1) There is established a Governing Council of the Fund.

(2) The Governing Council shall —

Governing Council

(a) provide overall direction and counsel to the Board in accordance with the object and purposes of this Act;

(b) oversee the development of Investment Policy;

(c) perform the reporting obligations as set out in this Act; and

(d) be responsible for recruitment of directors of the Board.

(3) The Governing Council shall not have control over the operations of the Fund and the Board shall exercise independence in the performance of its functions.

(The new clause was read a First Time)

Hon. Chairlady: Hon. Kuria, move Second Reading.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the new Clause 5A be now read a Second Time. This new clause aims to establish the Governing Council of the Fund. This Council shall include, among others, the Cabinet Secretary for the National Treasury, the Governor of the Central Bank of Kenya, the Attorney-General, and six other individuals who are not public officers.

The purpose is to bring in more expertise and include officers currently serving in the Government who have a broad perspective on the operations and the overall administration of the Republic.

(Question, that the new clause be read a Second Time, proposed)

(Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 5B

THAT, the Bill be amended by inserting the following new clauses immediately after Clause 5A-

5B. (1) The Governing Council shall comprise of the following-

(a) the Cabinet Secretary to the National Treasury, who shall be the chairperson;

(b) the Governor of the Central Bank of Kenya;

(c) the Attorney-General;

(d) six persons, not being public officers.

(2) A person shall be eligible for appointment under paragraph (d), if the person-

(a) has a degree from a university recognised in Kenya; and

(b) has proven leadership experience in public policy, finance, investments or any other relevant field.

Composition of
the Governance
Council.

(The new clause was read a First Time)

Hon. Chairlady: Hon. Kuria, move Second Reading.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the New Clause 5B be now read a Second Time. As I explained earlier, this provides for who the members of the Governing Council are going to be and what their expertise is going to be. They need to have a degree and proven leadership experience in public policy, finance, investments, and related fields.

(Question, that the new clause be read a Second Time, proposed)

(Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 5C

THAT, the Bill be amended by inserting the following new clauses immediately after Clause 5B-

Term of Governing
Council

5C. The members of the Governing Council under section 5B(d) shall be appointed by the President and shall serve a term of three years, renewable once.

(The new clause was read a First Time)

Hon. Chairlady: Hon. Kuria, move Second Reading.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the New Clause 5C be now read a Second Time. The members of the Governing Council are the Cabinet Secretary for the National Treasury, the Governor of the Central Bank of Kenya, the Attorney-General, and six persons who are not public officers. This now provides that these six persons are the ones who will be appointed by His Excellency the President.

(Question, that the new clause be read a Second Time, proposed)

The Chairlady: Yes, Hon. Oundo. This is self-explanatory.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Yes, I just wanted to draw to the attention of the Chairperson and the Leader of the Majority Party that it probably could have been a bit neater, in view of the importance of this Fund and the Board, if those being appointed under Clause 5B(d) were staggered, so that we retain some kind of institutional memory and ensure a bit of continuity. That would just be my suggestion. Probably we can pick it up later as we proceed.

(Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 5D

THAT, the Bill be amended by inserting the following new clauses immediately after Clause 5C-

5D. A member of the Governing Council may be removed from office by the President, if the person-

Grounds
for removal

- (a) has been convicted of a criminal offense;
- (b) has been declared bankrupt by a court of law;
- (c) resigns by written notice; or
- (d) is otherwise unable or unfit to discharge the functions of the office

(The new clause was read a First Time)

Hon. Chairlady: Hon. Kuria, move Second Reading.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the new Clause 5D be now read a Second Time. This is a provision that provides for how the members under Clause 5B(d), the six persons, can be removed. They can be removed if they have committed a criminal offence, if they have been declared bankrupt by a court of law, if they resign, or if they are otherwise found unfit to discharge the functions of the office. They can be removed by the Office of the President.

(Question, that the new clause be read a Second Time, proposed)

(Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 5E

THAT, the Bill be amended by inserting the following new clauses immediately after Clause 5D-

Meetings of the
Governing
Council

- 5E. (1) The Governing Council shall meet twice a year to consider and approve the reports under section 26.
- (2) The Governing Council shall determine the procedures for its meetings.
 - (3) The Chairperson may convene an extra-ordinary meeting of Council when necessary, by giving notice of five days.
 - (4) The Chief Executive officer may designate such officers as may be necessary to provide secretariat services to the Governing Council.

(The new clause was read a First Time)

The Chairlady: Chairperson, if something is already captured in the sections, then we do not have to read them out, because we still have the BPS.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I was thinking, in indulgence, if we could have passed Clauses 5A, 5B, 5C, 5D, 5E, 5F and 5G together, but I was told that

under this procedure, we must approve them one by one. I beg to move that the New Clause 5E be now read a Second Time. This provides that the Council of Governors can only meet twice in a year, or hold any other meeting that may be found necessary, but they have to give notice.

Hon. Chairlady, I beg to move that the New Clause 5E be now read a Second Time.

This amendment provides that the Governing Council shall meet only twice a year, so that it does not become an impediment to the running of the Board.

(Question, that the new clause be read a Second Time, proposed)

Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 5F

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 5—

Remuneration of
the Governing Council.

5F. The members of the Governing Council shall be paid such sitting allowance, travel expenses and such other appropriate allowances as the Cabinet Secretary may determine in consultation with the Salaries and Remuneration Commission.

(The new clause was read a First Time)

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that New Clause 5F be now read a Second Time.

This amendment provides allowances paid to the Governing Council, in consultation with the Salaries and Remuneration Commission (SRC).

(Question, that the new clause be read a Second Time, proposed)

Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 5G

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 5—

Declaration of
conflict of interest

5G. (1) A member of the Governing Council who has a material interest in a matter subject to discussion by the Council shall, as soon as reasonably practicable after the commencement thereof, disclose his or her interest in the matter and shall not take part in the deliberations over, or vote on, the matter.

(2) A disclosure of interest made under this section shall be recorded in the minutes of the meeting at which it is made.

(3) The Governing Council shall cause minutes of all proceedings of its meetings to be entered in its records for that purpose.

(4) A member of the Governing Council who does not comply with subsection (1) commits an offence and is liable on conviction to a penalty under Section 36(B)

(The new clause was read a First Time)

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that New Clause 5G be now read a Second Time.

This amendment provides a clause that prevents the Governing Council from engaging in activities that lead to conflict of interest.

(Question, that the new clause be read a Second Time, proposed)

Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 21A

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 21 –

Submission of
Investment Policy to
the National Assembly

21A. (1) Upon approval by the Cabinet, the Cabinet Secretary shall submit the Investment Policy to the National Assembly for approval.

(The new clause was read a First Time)

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the New Clause 21A be now read a Second Time.

This amendment provides that the Cabinet Secretary shall submit the Investment Policy to the National Assembly for approval.

(Question, that the new clause be read a Second Time, proposed)

Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 21B

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 21 –

Consideration of the
Investment Policy

21B. The Investment Policy shall be tabled in the National Assembly and the National Assembly shall consider the Investment Policy within ninety days from the date of tabling.

(The new clause was read a First Time)

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the New Clause 21B be now read a Second Time.

(Question, that the new clause be read a Second Time, proposed)

Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 21C

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 21 –

Decision of the
National Assembly

21C. The National Assembly shall either—
(a) approve the Investment Policy for implementation;
(b) approve the Investment Policy with reservations or proposed amendments; or
(c) decline the Investment Policy.

(The new clause was read a First Time)

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the New Clause 21C be now read a Second Time.

(Question, that the new clause be

read a Second Time, proposed)

*Question, that the new clause be read
a Second Time, put and agreed to)*

*(Question, that the new clause be
added to the Bill, put and agreed to)*

New Clause 21D

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 21 –

Notification of the
resolution

21D. (1) The Clerk shall notify the Cabinet Secretary of the resolution of the National Assembly within seven days of the resolution.

(2) Where the National Assembly approves an Investment Policy with reservations or proposed amendments, the notice shall state the proposed amendments or reservations made by the National Assembly.

(The new clause was read a First Time)

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the New Clause 21E be now read a Second Time.

Upon receipt of the notice under Section 21D, the Governing Council shall publish the approved Investment Policy or in the case where the Investment Policy is approved with reservations...

Hon. Chairlady: You should move New Clause 21D instead of New Clause 21E.

Hon. Kuria Kimani (Molo, UDA): Sorry. Hon. Chairlady, I beg to move that the New Clause 21D be now read a Second Time.

Hon. Chairlady: Thank you, Hon. Chairperson. Let us note that Members have copies of the Order Paper.

*(Question, that the new clause be
read a Second Time, proposed)*

*Question, that the new clause be read
a Second Time, put and agreed to)*

*(Question, that the new clause be
added to the Bill, put and agreed to)*

New Clause 21E

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 21 –

Amendment of

- Investment Policy 21E. (1) Upon receipt of the notice under section 21D, the Governing Council shall—
- (a) publish the approved Investment Policy; or
 - (b) in the case where the investment policy is approved with reservations or proposed amendments, revise the Investment Policy fully, taking into account the reservations or proposed amendments.
- (2) Upon receipt of the notice under section 21D and where the Investment Policy is declined, the Governing Council may submit a new Investment Policy within six months.

(The new clause was read a First Time)

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that New Clause 21E be now read a Second Time.

(Question, that the new clause be read a Second Time, proposed)

Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 21F

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 21 –

- Publication of the Investment Policy 21F. The approved Investment Policy shall be published in the *Kenya Gazette*.

(The new clause was read a First Time)

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move that the New Clause 21F be now read a Second Time.

The amendment provides that the Investment Policy shall be published in the *Kenya Gazette*.

(Question, that the new clause be read a Second Time, proposed)

Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 25A

THAT, the Bill be amended by inserting the following New Clause immediately after Clause 25—

Approval of
Projects

25A. Any infrastructure project which is financed by the Fund and whose value exceeds such threshold as may be prescribed by the Cabinet Secretary shall require approval of the National Assembly.

(The new clause was read a First Time)

Hon. Chairlady: Mover. The Chairperson of the Committee is not the Mover. Hon. Duncan Mathenge.

Hon. Duncan Mathenge (Nyeri Town, UDA): Hon. Chairlady, I beg to move that the New Clause 25A be now read a Second Time.

(Question, that the new clause be read a Second Time, proposed)

Hon. Chairlady: Hon. Chairperson, do you want to say something?

Hon. Kuria Kimani (Molo, UDA): Yes. Hon. Chairlady, this House will approve the Investment Policy. The Board will submit reports to this House annually. These public funds will be subjected to audit by the Office of the Auditor-General. To require that the Board comes here for approval before payment, we are making this House do the work of the National Treasury, the Controller of Budget, and other entities in the Executive. It is too overreaching and unnecessary if we want to operationalise this Fund.

Therefore, I beg this House to reject the proposed amendment.

Question, that the new clause be read a Second Time, put and negatived)

The Chairlady: So, that has fallen. We move to the next one.

New Clause 36A

THAT, the Bill be amended by inserting the following new clauses immediately after Clause 36-

PART VIIA— OFFENCES AND PENALTIES

Misappropriation
of funds

36A. (1) A person who misappropriates any funds or assets from the Fund, or assists or causes any person to misappropriate the funds or assets, or apply the funds or assets otherwise than in the manner provided in this Act, commits an offence and is liable, on conviction to—

- (a) pay twice the amount misappropriated; and
- (b) a fine of not less than ten million shillings or imprisonment for a term of not less than five years or to both.

(2) Without prejudice to subsection (1), a person who misappropriates any funds or assets of the Fund, assists or causes any person to misappropriate any funds or assets from the Fund, shall be held liable for any loss arising from that loss and shall make good the loss whether that person remains the holder of the office or not.

(The new clause was read a First Time)

Hon. Chairlady: Hon. Chairperson.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, we are at the tail-end of these amendments.

Hon. Chairlady, I beg to move that the new clause 36A be now read a Second Time.

Hon. Chairlady, this particular provision that we are amending is to provide for offences and penalties to make it very punitive for any person who shall try to misappropriate this Fund and make them liable to pay twice the amount misappropriated or a fine of not less than Ksh10 million or imprisonment of not less than 5 years. We have seen courts give fines that are much lower than the amount misappropriated, and many Kenyans are saying, “please give me that money, and I am willing to go to jail for one year”. If someone can misappropriate millions, if not billions, of shillings and only go to jail for one year, it is not punitive. So, this is making it extremely punitive for anyone trying to dip their dirty fingers into this particular Fund.

(Question, that the new clause be read a Second Time, proposed)

Hon. Chairlady: Yes, Hon. Oundo.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Even Sir George wants to say something. He has been quiet for long. I totally support the amendments. Hon. Chairlady, probably we could also think through, and Sir George will guide us. What if the person misappropriated the funds and went to *piga sherehe* and has got nothing to pay? Sir George, guide us on how we shall recover public funds that ended up in celebrations and parties.

Thank you, Hon. Chairlady.

(Laughter)

Hon. George Murugara (Tharaka, UDA): Thank you, Hon. Chairlady. This is an interesting form of punishment. It almost goes against the principles of legality on punishment because you cannot be punished twice; you can only be punished once. The first punishment appears to be restitution, that you retribute what you took away and converted it in civil law. If you do that, you can only retribute the exact amount then after that you get punished, but where it is actually doubled, it means you have already gotten a punishment. The second punishment is the fine. So, there may be a legal problem with that but I can assure you that it is supposed to be a punitive deterrent. That is the reason it is being made as stringent as it can be. I would support it but we may have a problem with our courts.

Hon. Chairlady: I think the courts will pick it out during their sentencing procedure. That is usually judge-made law.

(Question, that the new clause be read

a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 36B

THAT, the Bill be amended by inserting the following new clauses immediately after Clause 36-

PART VIIA— OFFENCES AND PENALTIES

General penalty.

36B. A person who contravenes the provisions of this Act where no specific penalty is provided, commits an offence and is liable, on conviction to imprisonment for a term not less than two years or to a fine of not less than five million shillings or to both.

(The new clause was read a First Time)

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Mhe. Mwenyekiti, ningependa kupendekeza kwamba Kipengee cha 36B kisomwe kwa mara ya pili. Kama alivyosema Mwenyekiti wa Kamati ya *Justice and Legal Affairs*, kama hutaki kulipa hiyo faini, basi usiibe pesa za Umma. Asante, Mhe. Mwenyekiti

(Laughter)

(Question, that the new clause be read a Second Time, proposed)

Hon. Chairlady: There is no 38, right?

New Clause 38

Hon. Chairlady: Yes, Hon. Mathenge.

Hon. Duncan Mathenge (Nyeri Town, UDA): Hon. Chairlady, the intended New Clause 38 has been taken care of by the New Clause 36B. So, I withdraw the amendment.

(Proposed amendment by Hon. Duncan Mathenge withdrawn)

Hon. Chairlady: So, that is duly withdrawn. Thank you.

New Clause 39

THAT, the Bill be amended by inserting the following new clause immediately after Clause 37—

Amendment of section 54 of Act No. 18 of 2025.

39. Section 54 of the Privatization Act is amended by deleting the words “Consolidated Fund” and substituting therefor the words “National Infrastructure Fund”.

Hon. Chairlady: Mover.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, it is good to know that this is an amendment to the last new clause. I beg to move that New Clause 39 be now read a Second Time.

This is a consequential amendment. The Bill provides that one of the sources of the funds will be a process of privatisation. There is need to amend Section 54 of the Privatization Act so that it reads as follows:

That proceeds from the sale of direct Government shareholding at 54, any proceeds from the sale of direct national Government shareholding shall be paid into the Consolidated Fund.

(Question, that the new clause be read a Second Time, proposed)

(Question, that the new clause be read a Second Time, put and agreed to)

(Question, that the new clause be added to the Bill, put and agreed to)

Clause 2

Hon. Chairlady: Chairperson.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move:

THAT, Clause 2 be amended by inserting the following new definitions in proper alphabetical sequence—

“Governing Council” means the Governing Council established under section 5A;

“national infrastructure” means national highways, railway networks, airports, seaports, electricity generation, transmission and distribution infrastructure, water reservoirs and irrigation and agribusiness infrastructure;

This provides for the definition of who comprises the governing council.

(Question of the amendment proposed)

Hon. Chairlady: Yes. I needed to propose the Question before I allowed you. So, I have now allowed you. Proceed.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you, Hon. Chairlady. I think you had better listen to this. We had agreed that we needed to define ‘catalytic national infrastructure’. I think it is important. At what point do we do that?

Hon. Chairlady: Chairperson, that seems to be a valid issue. Let him have a minute to respond. Hon. Kangogo, while we wait for the Hon. Chair to respond to Hon. Makali.

Hon. Kangogo Bowen (Marakwet East, UDA): Hon. Chairlady, under Clause 2, the Chair has given the definition of governing council, which I do not have a problem with. But the definition of ‘national infrastructure’ is the national highways, railway networks, airports, seaports, electricity generation, transmission and distribution infrastructure, water reservoirs, irrigation and agri-infrastructure. I am wondering. Where is the Information and Communication Technology (ICT) network in this Infrastructure Fund? Fibre cable coverage in the country is less than 20 per cent. Where is our ICT infrastructure in this Fund?

Hon. Chairlady: The assumption is that ICT, energy and power transmission, fibre cables and even internet connectivity are all infrastructure.

Hon. Kangogo Bowen (Marakwet East, UDA): Hon. Chairlady, that must come out clearly. All the items mentioned in the Bill, including national highways, must be properly defined.

Hon. Chairlady: Hon. Chairman, what do you have to say? Also respond to Hon. Makali.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Chairlady, I will, first, respond to my good friend, Hon. Makali. Our amendment to the definition of the term “national infrastructure” has removed the word “catalytic” so that the term “national infrastructure” now means “national highways, railway networks, airports, seaports, electricity generation, transmission and distribution infrastructure, water reservoirs and irrigation.” We have also added the words “agribusiness and ICT infrastructure” to address the concerns raised by Hon. Kangogo Bowen.

Hon. Chairlady, I beg to move:

THAT, Clause 2 be further amended by inserting the following new definitions in proper alphabetical sequence—

“national infrastructure” means national highways, railway networks, airports, seaports, electricity generation, transmission and distribution infrastructure, water reservoirs, irrigation, agribusiness and ICT infrastructure;

(Question of the further amendment proposed)

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(Clause 2 as amended agreed to)

(Title agreed to)

Clause 1

Hon. Chairlady: There is a proposed amendment.

Hon. Kuria Kimani (Molo, UDA): Hon. Chairlady, I beg to move:

THAT, Clause 1 of the Bill be amended by deleting the words “and shall come into operation on such day as the Cabinet Secretary may, by notice in the *Gazette*, appoint.”

This seeks to ensure that we avert undue delays in the operationalisation of the Fund.

(Question of the amendment proposed)

*(Question, that the words to be left
out be left out, put and agreed to)*

(Clause 1 as amended agreed to)

Hon. Chairlady: Hon. Members, we have concluded the consideration of the Bill. I now call upon the Mover to report to the House. Leader of the Majority Party.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Hon. Chairlady, I beg to move that the Committee do report to the House its consideration of the National Infrastructure Fund Bill (National Assembly Bill No.1 of 2026) and its approval thereof with amendments.

(Question proposed)

(Question put and agreed to)

(The House resumed)

IN THE HOUSE

*[The Temporary Speaker
(Hon. Omboko Milemba) in the Chair]*

MOTION

CONSIDERATION OF REPORT ON THE NATIONAL INFRASTRUCTURE FUND BILL

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, we are back to the House. Hon. Chairperson.

Hon. Gladys Boss (Uasin Gishu, UDA): I beg to report that the Committee of the whole House has considered the National Infrastructure Fund Bill (National Assembly Bill No.1 of 2026) and the approval of the same with amendments.

Thank you.

The Temporary Speaker (Hon. Omboko Milemba): Mover.

Hon. Kimani Ichung'wah (Kikuyu, UDA): I beg to move that the Motion for agreement with the Report of the Committee of the Whole House be amended by inserting the words "subject to recommittal of Clause 22(1) and Clause 23". I also request the Chairperson of the Committee, Hon. Kimani Kuria, to second the Motion.

Hon. Kuria Kimani (Molo, UDA): I thank everyone who has contributed. I am happy that we have all added value to this piece of legislation. We have made many amendments. I beg to second, subject to recommittal of the two clauses as read by the Leader of the Majority Party.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, there is recommittal. So, we will do it first.

(Hon. Fatuma Mohammed stood along the aisle)

Freeze, Hon. Member.

(Question proposed)

(Question put and agreed to)

The Temporary Speaker (Hon. Omboko Milemba): We will now move into the Committee of the whole House.

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[The Speaker (Hon. Moses Wetang'ula) left the Chair]

IN THE COMMITTEE

[The Chairlady (Hon. Gladys Boss) in the Chair]

THE NATIONAL INFRASTRUCTURE FUND BILL

(Recommittal of Clauses 22 and 23)

Hon. Chairlady: Hon. Members, we shall now recommit Clauses 22 and 23 of the Bill. Mover?

Clause 22

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Chairlady, I beg to move:

THAT, Clause 22 be further amended by deleting sub-clause (1).

Sub-clause (1) provided that project preparation for this Act or this Bill, be undertaken in accordance with the provisions of Sections 31 and 32 of the Public-Private Partnerships (PPP) Act. Many of the investments that will come into this Fund are direct foreign investments from private entities and, therefore, may not necessitate us to go to the PPP framework for approval or for them to be considered under the PPP Act.

Thank you.

Hon. Chairlady: Thank you, Leader of the Majority Party

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Clause 22 as amended agreed to)

Clause 23

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Chairlady, I beg to move:

THAT, Clause 23 be further amended by retaining Clause 23 as it appears in the Bill.

We had deleted Clause 23. For those who have a copy of the Bill, Clause 23 is on feasibility studies. Clause 22, as passed, alludes to a feasibility study, but we have deleted the subsequent clause that provided for that feasibility study.

I beg to move and ask for your support.

Hon. Chairlady: Thank you. That is important.

(Question of the amendment proposed)

(Question, that the words to be inserted be inserted, put and agreed to)

(Clause 23 as amended agreed to)

That brings us to the end of the recommittal stage of the National Infrastructure Fund Bill. Thank you.

(The House resumed)

IN THE HOUSE

*[The Temporary Speaker
(Hon. Omboko Milemba) in the Chair]*

MOTION

CONSIDERATION OF REPORT OF THE
NATIONAL INFRASTRUCTURE FUND BILL

Hon. Temporary Speaker: Hon. Members, we may take our places again.
I call upon the Chairlady.

Hon. Gladys Boss (Uasin Gishu County, UDA): Hon. Temporary Speaker, I beg to report that the Committee of the Whole House has considered the National Infrastructure Fund Bill (National Assembly Bill No.1 of 2026) and approved the same with amendments.

Hon. Temporary Speaker: Mover, you may proceed.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I beg to move that the House do agree with the Committee in the said Report.

I request Hon. Osoro to second the Motion for agreement with the Report of the Committee of the whole House.

Hon. Silvanus Osoro (South Mugirango, UDA): Hon. Temporary Speaker, I beg to second.

The Temporary Speaker (Hon. Omboko Milemba): Very well.

(Question proposed)

(Question put and agreed to)

BILL

Third Reading

THE NATIONAL INFRASTRUCTURE FUND BILL
(National Assembly Bill No. 1 of 2026)

The Temporary Speaker (Hon. Omboko Milemba): Mover.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I beg to move that the National Infrastructure Fund Bill (National Assembly Bill No.1 of 2026) be now read a Third Time.

As I request the Chairperson of the Departmental Committee on Finance and National Planning to second the Motion for Third Reading of this Bill, allow me to take this opportunity to thank all the Members present here today and all those who supported this Bill in the Second Reading. I appreciate the input of those who opposed this Bill. I have particular mention to Hon. Oundo, Hon. (Dr) Makali Mulu, Hon. Robert Mbui and Hon. Tongoyo.

An Hon. Member: It is Hon. Ngogoyo.

Hon. Kimani Ichung'wah (Kikuyu, UDA): It is Hon. Ngogoyo and not Hon. Tongoyo. Hon. Tongoyo supported the Bill. I have special mention for these four Members because they

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opposed the Bill and proposed amendments and have been here to legislate. They were not raising issues for politics but rather they raised them with the intention to improve the Bill because they know this Bill is important for this country.

I want to borrow the words of the Hon. Oundo who said that he is not opposed to the establishment of a National Infrastructure Fund but said there are gaps that need to be filled. Today, as you have heard, he has prayed for us that we may be blessed because the Departmental Committee for Finance and National Planning listened to all those proposed amendments.

I am taking time to say this because I said we have suffered as a House in the past and especially during the Finance Bill 2024 because Kenyans did not understand the process through which legislation goes through before a Bill becomes an Act of Parliament. Now, Kenyans have an opportunity to understand what we do and how we work – that even if a Bill goes through Second Reading, that is not the end of everything. It is just debate where we share ideas that improve the proposal that is before the House.

I thank these Members because there are some Members who came here to speak to the gallery and to speak those things they thought were populist, but you will not see them here today. I do not need to mention anyone by name because they know themselves and they should be ashamed.

Should this Bill pass through this third stage, it will be the most consequential legislation ever enacted in this House. It is not just in the 13th Parliament, but it is the most consequential legislative proposal ever enacted in independent Kenya's National Assembly or Parliament of Kenya. It is the most consequential piece of legislation.

(Applause)

Other than Sessional Paper No.10 of 1965 proposed by the then Minister for Planning, the late Tom Joseph Mboya, this is the next most consequential piece of legislation that will immensely contribute to the transformation of our country. I must thank each and every one of you.

(Applause)

When His Excellency the President, during the State of the Nation Address, told you that your diligence as Members of Parliament in the 13th Assembly has secured you a place in the rewritten history of the transformation of our country, this is one such piece of legislation that is redefining your place in the history books of our country. This is because generations to come in this country and in the world will look at this law and will thank each and every member who sat in the 13th Parliament of the National Assembly of Kenya for the transformation of Kenya as we move towards a First World Country.

Lastly, let me say the journey to Singapore, as has been christened, is not just real but we can see it. We can now see light at the end of the tunnel. The vision is clear. The roadmap towards becoming a First World Nation is now on course. As we go to Singapore through Canaan, the Members of the 13th Parliament have secured their place not only in the history books of the Republic of Kenya but also in heaven. The Almighty God will remember each one of you for your contribution to the transformation of this country. We will be a case study for other countries in Africa and the world.

May God bless Kenya and each one of you. May He touch the souls of those who have dark hearts and souls. May He also touch the hearts of those young people who camouflage their dark spirits behind press conferences, lectures in lecture halls and the rush to chase news bytes about how intelligent or unintelligent they are. Today, those of you who have sat through this process of making amendments to this Bill to make it better are not only the heroes of this

country but have also demonstrated that they are, indeed, great leaders; and not merely politicians who speak to the gallery for the sake of it.

Let me conclude by saying that we are often reminded that not everything that is popular out there is right, and not every right thing is popular. You have done the right thing. I have heard some groups out there purporting to issue press conferences against this Bill. How I wish they can have time to understand it. When we came up with the Kenya Kwanza Manifesto, we travelled across the country. We visited 44 out of the 47 counties. We would have visited all the 47 counties, but we ran out of time. We listened to Kenyans. I am certain that even those who were in Azimio la Umoja-One Kenya Coalition then, particularly members of the Orange Democratic Movement (ODM) also went out to listen to the people because the former Prime Minister believed in it. He had established an economic council.

How I wish those in the disunited Opposition today, instead of issuing press conferences, can establish an economic council to formulate an agenda to move Kenya forward. It is not enough to politicise the National Infrastructure Fund by asking the National Assembly to reject it. Today, the National Assembly has listened to the cries of millions of Kenyan youth who have no jobs. They understand that we can grow our economy and create employment opportunities for the jobless through the National Infrastructure Fund.

These Members of Parliament have worked together unanimously, irrespective of political affiliation. I may not agree with Hon. Makali Mulu, Hon. Robert Mbui or Hon. Oundo on everything politically. However, when it comes to doing what is right for our country, I thank you, Hon. Members, for being there to be counted amongst those who truly love this country.

Thank you and God bless you. I beg to move and request the Chairperson of the Departmental Committee on Finance and National Planning to second.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, I left my finance career at its peak. I say this because I worked very closely with Hon. Atandi, the Chairman of the Budget and Appropriations Committee who was my banker then, before I joined politics. I was elected at a very young age to lead the people of Molo. At that time, the political mantra in Molo was that one serves only one term and goes home. I decided to do my best and convince the people to give me a second term.

Thirty years after a Member of Parliament last got a second term, I was re-elected for my second term. When I joined the 13th Parliament, I was privileged to become the Chairperson of the Departmental Committee on Finance and National Planning. I made a commitment with myself and my God that, despite that fact that it is going to be difficult, I will stand to be counted to make responsible decisions for this country. At first the decisions may not be popular. However, I am certain that over time the decisions will be seen changing the future of this country and the anchor of our finance.

I want it to be known that it was during the time of this Parliament that not only one road referenced “Thika Road” – which I agree is a key infrastructure project – celebrated but also highways were built across the country through the Infrastructure Fund. The viability of infrastructure projects does not just mean that they need to be in the city. We can have very key projects in Turkana, North Eastern or any other part of this country. From the amendment that we last made with the advice of Hon. Bowen, we will now include the ICT infrastructure as part of Infrastructure Fund. Therefore, we look forward to when our data will be held in a data centre in this country and not overseas countries. We are going to have mega dams and projects that will lead to economic development. More importantly, I will not have to spend six to eight hours going back to Nakuru tomorrow because we are running the Rironi-Mau Summit Road Project and other highways which will be completed through the National Infrastructure Fund.

Thank you. I beg to second.

The Temporary Speaker (Hon. Omboko Milemba): Well, let us hear from one Makali Mulu. He has been very consistent.

Order, Hon. Makali Mulu! Take your seat.

(Question proposed)

Is it the mood of the House that I put the Question?

Hon. Members: Yes.

(Question put and agreed to)

*(The Bill was accordingly read the
Third Time and passed)*

Hon. Owen Baya (Kilifi North, UDA): On a point of order, Hon. Temporary Speaker.

PROCEDURAL MOTION

EXTENSION OF SITTING TIME

The Temporary Speaker (Hon. Omboko Milemba): Yes, what is your point of order?

Hon. Owen Baya (Kilifi North, UDA): Hon. Temporary Speaker, I beg to move the following Procedural Motion on extension of sitting time:

THAT, pursuant to the provisions of Standing Orders No.30(3)(a), this House resolves to extend the sitting of today, Thursday 5th March 2026, until the conclusion of the business appearing under order number 10, consideration of The Budget Policy Statement (BPS) for the financial year 2026-2027.

I request Hon. Osoro to second.

Hon. Silvanus Osoro (South Mugirango, UDA): Hon. Speaker, I second.

The Temporary Speaker (Hon. Omboko Milemba): Very well. This is a Procedural Motion.

(Question proposed)

Hon. Members: Put the question.

(Question put and agreed to)

Next Order. The Chairman of the Budget and Appropriations Committee.

MOTION

APPROVAL OF THE 2026 BUDGET POLICY STATEMENT

Hon. Samuel Atandi (Alego Usonga, ODM): Thank you, Hon. Temporary Speaker. I beg to move:

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Budget Policy Statement (BPS) for the Financial Year 2026/2027 and a compendium of Departmental Committee Reports on the 2026 BPS, laid on the

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Table of the House on Wednesday, 4th March 2026, and pursuant to the provisions of Section 25(7) of the Public Finance Management Act, Cap. 412A and Standing Order 232(9) and (10):

(a) Approves the Budget Policy Statement (BPS) for the Financial Year 2026/2027.

(b) Makes the following Financial Resolutions with respect to the BPS—

(i) That, the National Government budget ceiling be approved at Ksh2,878,426,500,000:

Of which:

1) The Executive
Ksh2,797,202,700,000

Of which:

The Office of the Auditor-General
Ksh9,026,300,000:

2) Parliament
Ksh50,782,000,000

3) The Judiciary
Ksh30,441,800,000

(ii) That, the allocation to County Government Equitable Share be approved at Ksh420,000,000,000.

(iii) That, consistent with the latest audited and approved revenues, the allocation to the Equalisation Fund be set at Ksh9,602,170,425.

(iv) That, the County Government Additional Allocations be approved at Ksh75,692,700,182 as per the Fourth Schedule to the Report which shall form the basis for the County Government Additional Allocations Bill for the FY 2026/2027.

(v) That, the allocation for the public participation initiatives be approved at Ksh4,000,000,000 under Vote 1071, National Treasury.

(a) Resolves that—

(i) Consistent with the resolution of the House of 3rd March 2026 on the 2026 Medium Term Debt Strategy, the fiscal deficit be maintained at 5.3 per cent of the Gross Domestic Product (GDP).

(ii) The First Schedule forms the basis for the ceilings for the FY 2026/27 Budget Estimates.

(iii) The Policy Resolutions contained in the Second Schedule (Non-financial recommendations relating to the Budget Policy Statement for the Financial Year 2026/2027), shall form the basis for FY 2026/2027 budget estimates.

(iv) The minimal adjustments in the gross ceilings in the second schedule to the Report be accommodated in the revenue yield expected from ongoing tax administration reforms and the enhanced funding to KRA.

FIRST SCHEDULE

CEILINGS FOR THE FY 2026/27 BUDGET ESTIMATES

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
1011	Executive Office of the President	5,641,500,000	1,311,200,000	6,952,700,000
	0603000 Government Printing Services	807,700,000	500,000,000	1,307,700,000
	0701000 General Administration Planning and Support Services	2,674,900,000	576,200,000	3,251,100,000
	0703000 Government Advisory Services	1,131,000,000	185,000,000	1,316,000,000
	0770000 Leadership and Coordination of Government Services	1,027,900,000	50,000,000	1,077,900,000
1012	Office of the Deputy President	3,481,000,000	100,000,000	3,581,000,000
	0734000 Deputy President Services	3,481,000,000	100,000,000	3,581,000,000
1013	Office of the Prime Cabinet Secretary	827,600,000	-	827,600,000
	0755000 Government Coordination and Supervision	827,600,000	-	827,600,000
1014	State Department for Parliamentary Affairs	406,700,000	-	406,700,000
	0759000 Parliamentary Liaison and Legislative Affairs	122,800,000	-	122,800,000
	0760000 Policy Coordination and Strategy	83,800,000	-	83,800,000
	0761000 General Administration, Planning and Support Services	200,100,000	-	200,100,000
1016	State Department for Cabinet Affairs	298,800,000	-	298,800,000
	0758000 Cabinet Affairs Services	298,800,000	-	298,800,000
1017	State House	10,651,800,000	1,027,000,000	11,678,800,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0704000 State House Affairs	10,651,800,000	1,027,000,000	11,678,800,000
1018	State Department for National Government Coordination	944,200,000	130,000,000	1,074,200,000
	0755000 Government Coordination and Supervision	944,200,000	130,000,000	1,074,200,000
	State Department for Correctional Services	42,437,500,000	1,022,400,000	43,459,900,000
1023	0623000 General Administration, Planning and Support Services	651,100,000	100,000,000	751,100,000
	0627000 Prison Services	39,410,000,000	782,600,000	40,192,600,000
	0628000 Probation & After Care Services	2,376,400,000	139,800,000	2,516,200,000
	State Department for Immigration and Citizen Services	12,815,700,000	11,136,200,000	23,951,900,000
1024	0605000 Migration and Citizen Services Management	5,804,200,000	7,441,100,000	13,245,300,000
	0626000 Population Management Services	5,639,600,000	3,395,100,000	9,034,700,000
	0631000 General Administration and Planning	1,371,900,000	300,000,000	1,671,900,000
1025	National Police Service	140,378,000,000	2,813,900,000	143,191,900,000
	0601000 Policing Services	140,378,000,000	2,813,900,000	143,191,900,000
	State Department for Internal Security & National Administration	35,786,300,000	7,351,600,000	43,137,900,000
1026	0629000 General Administration and Support Services	13,533,600,000	6,680,000,000	20,213,600,000
	0630000 Policy Coordination Services	1,702,500,000	80,000,000	1,782,500,000
	0632000 National Government Field Administration Services	20,550,200,000	591,600,000	21,141,800,000
1032	State Department for Devolution	1,373,100,000	11,011,500,000	12,384,600,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0712000 Devolution Services	1,373,100,000	11,011,500,000	12,384,600,000
1033	State Department for Special Programmes	687,200,000	165,000,000	852,200,000
	Disaster Risk Management	687,200,000	165,000,000	852,200,000
1036	State Department for ASALs and Regional Development	7,541,900,000	3,726,200,000	11,268,100,000
	0733000 Accelerated ASAL Development	5,287,100,000	2,448,300,000	7,735,400,000
	0743000 General Administration, Planning and Support Services	294,900,000	-	294,900,000
	1013000 Integrated Regional Development	1,959,900,000	1,277,900,000	3,237,800,000
1041	Ministry of Defence	233,432,300,000	7,934,000,000	241,366,300,000
	0801000 Defence	220,007,100,000	7,634,000,000	227,641,100,000
	0802000 Civil Aid	335,000,000	-	335,000,000
	0803000 General Administration, Planning and Support Services	3,241,800,000	-	3,241,800,000
	0806000 Defence Industrialization	9,848,400,000	300,000,000	10,148,400,000
1053	State Department for Foreign Affairs	24,358,100,000	2,356,300,000	26,714,400,000
	0714000 General Administration Planning and Support Services	3,631,600,000	36,300,000	3,667,900,000
	0715000 Foreign Relation and Diplomacy	20,369,800,000	2,300,000,000	22,669,800,000
	0741000 Economic and Commercial Diplomacy	52,000,000	-	52,000,000
	0742000 Foreign Policy Research, Capacity Development and Technical Cooperation	304,700,000	20,000,000	324,700,000

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
1054	State Department for Diaspora Affairs	844,600,000	-	844,600,000
	0752000 Management of Diaspora and Consular Affairs	844,600,000	-	844,600,000
1064	State Department for Technical Vocational Education and Training	39,946,400,000	7,077,000,000	47,023,400,000
	0505000 Technical Vocational Education and Training	39,050,200,000	7,077,000,000	46,127,200,000
	0507000 Youth Training and Development	60,700,000	-	60,700,000
	0508000 General Administration, Planning and Support Services	835,500,000	-	835,500,000
1065	State Department for Higher Education and Research	155,207,200,000	4,884,000,000	160,091,200,000
	0504000 University Education	154,870,900,000	4,884,000,000	159,754,900,000
	0508000 General Administration, Planning and Support Services	336,300,000	-	336,300,000
1066	State Department for Basic Education	118,680,500,000	16,098,000,000	134,778,500,000
	0501000 Primary Education	12,371,400,000	9,354,000,000	21,725,400,000
	0502000 Secondary Education	86,681,800,000	6,572,000,000	93,253,800,000
	0503000 Quality Assurance and Standards	14,279,500,000	172,000,000	14,451,500,000
	0508000 General Administration, Planning and Support Services	5,347,800,000	-	5,347,800,000
1067	State Department for Science, Innovation and Research	1,153,000,000	1,312,000,000	2,465,000,000
	0506000 Research, Science, Technology and Innovation	1,153,000,000	1,312,000,000	2,465,000,000
1071	The National Treasury	81,551,000,000	50,905,800,000	132,456,800,000
	0717000 General Administration Planning and Support Services	71,439,200,000	6,206,000,000	77,645,200,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0718000 Public Financial Management	7,926,700,000	34,354,800,000	42,281,500,000
	0719000 Economic and Financial Policy Formulation and Management	1,556,400,000	10,258,000,000	11,814,400,000
	0720000 Market Competition	628,700,000	87,000,000	715,700,000
1072	State Department for Economic Planning	3,905,700,000	62,522,600,000	66,428,300,000
	07710000 Monitoring and Evaluation Services	208,000,000	206,000,000	414,000,000
	0707000 National Statistical Information Services	1,069,700,000	430,500,000	1,500,200,000
	0709000 General Administration Planning and Support Services	563,800,000	-	563,800,000
	077400 Macro-economic Policy, National Planning and Research	1,465,800,000	13,000,000	1,478,800,000
	077500 Sectoral and Intergovernmental Development Planning Coordination	598,400,000	61,873,100,000	62,471,500,000
1073	State Department for Public Investments and Assets Management	3,307,200,000	750,200,000	4,057,400,000
	Programme 1: Public Investment and Portfolio Management	626,200,000	-	626,200,000
	Programme 2: Public Pensions and Retirement Benefit Management	1,029,600,000	50,200,000	1,079,800,000
	Programme 3: Government Assets Management	1,434,700,000	700,000,000	2,134,700,000
	Programme 4: General Administration, Planning and Support Services	216,700,000	-	216,700,000
1082	State Department for Medical Services	107,904,600,000	26,399,000,000	134,303,600,000
	0402000 National Referral and Specialized Services	69,099,800,000	6,976,000,000	76,075,800,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0410000 Curative and Reproductive Maternal New Born Child Adolescent Health RMNCAH	1,913,600,000	18,784,000,000	20,697,600,000
	0411000 Health Research and Innovation	3,589,500,000	539,000,000	4,128,500,000
	0412000 General Administration	33,301,700,000	100,000,000	33,401,700,000
1083	State Department for Public Health and Professional Standards	28,119,600,000	4,983,900,000	33,103,500,000
	0406000 Preventive and Promotive Health Services	5,833,400,000	3,544,400,000	9,377,800,000
	0407000 Health Resources Development and Innovation	16,567,700,000	1,103,100,000	17,670,800,000
	0408000 Health Policy, Standards and Regulations	4,960,700,000	236,400,000	5,197,100,000
	0412000 General Administration	757,800,000	100,000,000	857,800,000
1091	State Department for Roads	73,825,000,000	158,287,000,000	232,112,000,000
	0202000 Road Transport	73,825,000,000	158,287,000,000	232,112,000,000
1092	State Department for Transport	7,111,000,000	57,950,000,000	65,061,000,000
	0201000 General Administration, Planning and Support Services	1,714,000,000	2,711,000,000	4,425,000,000
	0203000 Rail Transport	491,000,000	48,408,000,000	48,899,000,000
	0204000 Marine Transport	27,000,000	5,900,000,000	5,927,000,000
	0216000 Road Safety	4,879,000,000	931,000,000	5,810,000,000
1093	State Department for Shipping and Maritime Affairs	5,032,000,000	1,351,000,000	6,383,000,000
	0220000 Shipping and Maritime Affairs	5,032,000,000	1,351,000,000	6,383,000,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
1094	State Department for Housing and Urban Development	5,689,000,000	133,647,000,000	139,336,000,000
	0102000 Housing Development and Human Settlement	4,638,000,000	113,752,000,000	118,390,000,000
	0105000 Urban and Metropolitan Development	516,000,000	19,895,000,000	20,411,000,000
	0106000 General Administration Planning and Support Services	535,000,000	-	535,000,000
1095	State Department for Public Works	3,398,000,000	1,599,000,000	4,997,000,000
	0103000 Government Buildings	753,000,000	622,000,000	1,375,000,000
	Programme: Ocean, Rivers and Lakes Ecosystem Infrastructure	98,000,000	887,000,000	985,000,000
	0106000 General Administration Planning and Support Services	352,000,000	-	352,000,000
	0218000 Regulation and Development of the Construction Industry	2,195,000,000	90,000,000	2,285,000,000
1097	State Department for Aviation and Aerospace Development	13,308,000,000	479,000,000	13,787,000,000
	0205000 Air Transport	13,308,000,000	479,000,000	13,787,000,000
1104	State Department for Irrigation	943,000,000	7,528,000,000	8,471,000,000
	1023000 General Administration, Planning and Support Services	168,000,000	80,000,000	248,000,000
	Programme 1: Irrigation Development and Rehabilitation	723,000,000	6,000,000,000	6,723,000,000
	Programme 2: Land Reclamation and Climate Resilience Irrigation Development	52,000,000	1,448,000,000	1,500,000,000
1109	State Department for Water & Sanitation	7,343,000,000	49,503,000,000	56,846,000,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	1001000 General Administration, Planning and Support Services	845,000,000	200,000,000	1,045,000,000
	1004000 Water Resources Management	2,002,000,000	20,433,000,000	22,435,000,000
	1017000 Water and Sewerage Infrastructure Development	4,121,000,000	27,364,000,000	31,485,000,000
	1017000 Water Storage and Flood Control	375,000,000	1,506,000,000	1,881,000,000
1112	State Department for Lands and Physical Planning	6,109,900,000	4,840,000,000	10,949,900,000
	0101000 Land Policy and Planning	4,593,900,000	4,014,000,000	8,607,900,000
	0121000 Land Information Management	113,000,000	826,000,000	939,000,000
	0122000 General Administration, Planning and Support Services	1,403,000,000	-	1,403,000,000
1122	State Department for Information Communication Technology & Digital Economy	3,554,000,000	14,415,000,000	17,969,000,000
	0207000 General Administration Planning and Support Services	419,000,000	-	419,000,000
	0210000 ICT Infrastructure Development	241,000,000	13,650,000,000	13,891,000,000
	0217000 E-Government Services	1,895,000,000	383,000,000	2,278,000,000
	Programme 4: ICT Security and Data Protection Services	999,000,000	382,000,000	1,381,000,000
1123	State Department for Broadcasting & Telecommunications	6,010,000,000	430,000,000	6,440,000,000
	0207000 General Administration Planning and Support Services	252,000,000	-	252,000,000
	0208000 Information and Communication Services	5,470,000,000	399,000,000	5,869,000,000
	0209000 Mass Media Skills Development	288,000,000	31,000,000	319,000,000
1132	State Department for Sports	7,384,900,000	18,108,900,000	25,493,800,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0901000 Sports	7,384,900,000	18,108,900,000	25,493,800,000
1134	State Department for Culture and Heritage	2,840,800,000	144,100,000	2,984,900,000
	0902000 Culture / Heritage	1,646,800,000	54,700,000	1,701,500,000
	0903000 The Arts	256,800,000	24,400,000	281,200,000
	0904000 Library Services	472,900,000	-	472,900,000
	0905000 General Administration, Planning and Support Services	139,300,000	-	139,300,000
	0916000 Public Records Management	325,000,000	65,000,000	390,000,000
1135	State Department for Youth Affairs and the Creative Economy	2,581,300,000	2,201,400,000	4,782,700,000
	0221000 Film Development Services	814,600,000	33,500,000	848,100,000
	0711000 Youth Empowerment Services	491,800,000	-	491,800,000
	0748000 Youth Development Services	694,300,000	2,167,900,000	2,862,200,000
	0749000 General Administration, Planning and Support Services	580,600,000	-	580,600,000
1152	State Department for Energy	13,302,400,000	64,984,000,000	78,286,400,000
	0211000 General Administration Planning and Support Services	385,000,000	1,133,000,000	1,518,000,000
	0212000 Power Generation	2,761,400,000	13,712,000,000	16,473,400,000
	0213000 Power Transmission and Distribution	10,084,000,000	47,527,000,000	57,611,000,000
	0214000 Alternative Energy Technologies	72,000,000	2,612,000,000	2,684,000,000
1162	State Department for Livestock Development	5,147,000,000	10,348,700,000	15,495,700,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0112000 Livestock Resources Management and Development	5,147,000,000	10,348,700,000	15,495,700,000
	State Department for the Blue Economy and Fisheries	3,169,000,000	4,222,600,000	7,391,600,000
1166	0111000 Fisheries Development and Management	2,880,600,000	3,416,600,000	6,297,200,000
	0117000 General Administration, Planning and Support Services	224,400,000	-	224,400,000
	0118000 Development and Coordination of the Blue Economy	64,000,000	806,000,000	870,000,000
	State Department for Agriculture	24,597,300,000	35,397,600,000	59,994,900,000
1169	0107000 General Administration Planning and Support Services	14,923,400,000	4,087,000,000	19,010,400,000
	0108000 Crop Development and Management	3,780,300,000	30,860,600,000	34,640,900,000
	0109000 Agribusiness and Information Management	143,600,000	-	143,600,000
	0120000 Agricultural Research and Development	5,750,000,000	450,000,000	6,200,000,000
	State Department for Cooperatives	5,938,100,000	1,530,800,000	7,468,900,000
1173	0304000 Cooperative Development and Management	5,938,100,000	1,530,800,000	7,468,900,000
	State Department for Trade	3,777,200,000	433,800,000	4,211,000,000
1174	0309000 Domestic Trade and Enterprise Development	1,960,100,000	333,800,000	2,293,900,000
	0310000 Fair Trade Practices and Compliance of Standards	239,300,000	100,000,000	339,300,000
	0311000 International Trade Development and Promotion	1,286,700,000	-	1,286,700,000
	0312000 General Administration, Planning and Support Services	291,100,000	-	291,100,000

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
1175	State Department for Industry	4,314,000,000	4,877,600,000	9,191,600,000
	0301000 General Administration Planning and Support Services	609,900,000	-	609,900,000
	0320000 Industrial Promotion and Development	2,176,100,000	4,227,600,000	6,403,700,000
	0321000 Standards and Quality Infrastructure and Research	1,528,000,000	650,000,000	2,178,000,000
1176	State Department for Micro, Small and Medium Enterprises Development	2,040,200,000	4,843,900,000	6,884,100,000
	0316000 Promotion and Development of MSMEs	881,200,000	3,893,900,000	4,775,100,000
	0317000 Product and Market Development for MSMEs	512,700,000	550,000,000	1,062,700,000
	0318000 Digitization and Financial Inclusion for MSMEs	340,000,000	400,000,000	740,000,000
	0319000 General Administration, Planning and Support Services	306,300,000	-	306,300,000
1177	State Department for Investment Promotion	1,562,700,000	3,200,000,000	4,762,700,000
	0322000 Investment Development and Promotion	1,562,700,000	3,200,000,000	4,762,700,000
1184	State Department for Labour and Skills Development	4,467,000,000	1,065,300,000	5,532,300,000
	0910000 General Administration Planning and Support Services	534,200,000	-	534,200,000
	0906000 Labour, Employment and Safety Services	1,269,200,000	246,300,000	1,515,500,000
	0907000 Manpower Development, Industrial Skills and Productivity Management	2,663,600,000	819,000,000	3,482,600,000
1185	State Department for Social Protection and Senior Citizen Affairs	29,160,200,000	708,300,000	29,868,500,000
	0909000 National Social Safety Net	27,179,500,000	540,300,000	27,719,800,000

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0914000 General Administration, Planning and Support Services	390,900,000	-	390,900,000
	Programme: Social Development and Disability Inclusion	1,589,800,000	168,000,000	1,757,800,000
1186	State Department for Children Services	12,170,900,000	140,000,000	12,310,900,000
	Programme: Child Protection and Safeguarding	12,170,900,000	140,000,000	12,310,900,000
	State Department for Mining	1,539,000,000	478,000,000	2,017,000,000
1192	1007000 General Administration Planning and Support Services	459,000,000	-	459,000,000
	1009000 Mineral Resources Management	656,000,000	203,000,000	859,000,000
	1021000 Geological Survey and Geoinformation Management	424,000,000	275,000,000	699,000,000
1193	State Department for Petroleum	20,391,000,000	9,835,000,000	30,226,000,000
	0215000 Exploration and Distribution of Oil and Gas	20,391,000,000	9,835,000,000	30,226,000,000
	State Department for Tourism	11,547,400,000	6,018,000,000	17,565,400,000
1202	0313000 Tourism Promotion and Marketing	1,249,900,000	200,000,000	1,449,900,000
	0314000 Tourism Product Development and Diversification	9,898,100,000	5,738,000,000	15,636,100,000
	0315000 General Administration, Planning and Support Services	399,400,000	80,000,000	479,400,000
1203	State Department for Wildlife	13,250,000,000	1,858,000,000	15,108,000,000
	1019000 Wildlife Conservation and Management	13,250,000,000	1,858,000,000	15,108,000,000
1212	State Department for Gender and Affirmative Action	2,127,000,000	4,124,700,000	6,251,700,000

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VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
	0911000 Community Development	940,000,000	4,000,000,000	4,940,000,000
	0912000 Gender Empowerment	955,100,000	124,700,000	1,079,800,000
	0913000 General Administration, Planning and Support Services	231,900,000	-	231,900,000
	State Department for Public Service	23,726,400,000	1,523,300,000	25,249,700,000
1213	0710000 Public Service Transformation	1,370,000,000	330,000,000	1,700,000,000
	Programme: Public Service Human Resource Management and Development	11,858,900,000	1,062,300,000	12,921,200,000
	0709000 General Administration Planning and Support Services	394,900,000	-	394,900,000
	0747000 National Youth Service	10,102,600,000	131,000,000	10,233,600,000
1221	State Department for East African Community	841,400,000	-	841,400,000
	0305000 East African Affairs and Regional Integration	841,400,000	-	841,400,000
1252	The State Law Office	5,631,000,000	300,000,000	5,931,000,000
	0606000 Legal Services	4,861,400,000	20,000,000	4,881,400,000
	0607000 Governance, Legal Training and Constitutional Affairs	-	-	-
	0609000 General Administration, Planning and Support Services	769,600,000	280,000,000	1,049,600,000
1253	State Department for Justice Human Rights and Constitutional Affairs	1,277,800,000	-	1,277,800,000
	Programme: Governance, Human Rights and Constitutional Affairs	1,277,800,000	-	1,277,800,000
1271	Ethics and Anti-Corruption Commission	4,520,000,000	123,000,000	4,643,000,000
	0611000 Ethics and Anti-Corruption	4,520,000,000	123,000,000	4,643,000,000

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VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
1281	National Intelligence Service	58,617,000,000	-	58,617,000,000
	0804000 National Security Intelligence	58,617,000,000	-	58,617,000,000
1291	Office of the Director of Public Prosecutions	5,283,300,000	491,000,000	5,774,300,000
	0612000 Public Prosecution Services	5,283,300,000	491,000,000	5,774,300,000
1311	Office of the Registrar of Political Parties	2,323,000,000	-	2,323,000,000
	0614000 Registration, Regulation and Funding of Political Parties	2,323,000,000	-	2,323,000,000
1321	Witness Protection Agency	1,016,100,000	-	1,016,100,000
	0615000 Witness Protection	1,016,100,000	-	1,016,100,000
1331	State Department for Environment & Climate Change	4,103,000,000	2,605,000,000	6,708,000,000
	1002000 Environment Management and Protection	2,127,000,000	2,241,000,000	4,368,000,000
	1010000 General Administration, Planning and Support Services	460,000,000	30,000,000	490,000,000
	1012000 Meteorological Services	1,516,000,000	334,000,000	1,850,000,000
1332	State Department for Forestry	9,032,000,000	8,526,000,000	17,558,000,000
	1018000 Forests Development, Management and Conservation	8,833,000,000	8,526,000,000	17,359,000,000
	1024000 Agroforestry and Commercial Forestry Development	27,000,000	-	27,000,000
	1025000 General Administration, Planning and Support Services	172,000,000	-	172,000,000
2011	Kenya National Commission on Human Rights	614,600,000	-	614,600,000
	0616000 Protection and Promotion of Human Rights	614,600,000	-	614,600,000

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FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27				
VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
2021	National Land Commission	3,334,400,000	840,500,000	4,174,900,000
	0119000 Land Administration and Management	3,334,400,000	840,500,000	4,174,900,000
2031	Independent Electoral and Boundaries Commission	24,903,300,000	61,700,000	24,965,000,000
	0617000 Management of Electoral Processes	24,903,300,000	61,700,000	24,965,000,000
2061	The Commission on Revenue Allocation	510,600,000	-	510,600,000
	0737000 Inter-Governmental Transfers and Financial Matters	510,600,000	-	510,600,000
2071	Public Service Commission	3,640,600,000	50,000,000	3,690,600,000
	0725000 General Administration, Planning and Support Services	992,900,000	50,000,000	1,042,900,000
	0726000 Human Resource Management and Development	2,409,200,000	-	2,409,200,000
	0727000 Governance and National Values	142,100,000	-	142,100,000
	0744000 Performance and Productivity Management	66,800,000	-	66,800,000
	075000 Administration of Quasi-Judicial Functions	29,600,000	-	29,600,000
2081	Salaries and Remuneration Commission	1,040,900,000	-	1,040,900,000
	0728000 Salaries and Remuneration Management	1,040,900,000	-	1,040,900,000
2091	Teachers Service Commission	422,214,300,000	742,000,000	422,956,300,000
	0509000 Teacher Resource Management	411,695,200,000	681,000,000	412,376,200,000
	0510000 Governance and Standards	1,583,800,000	-	1,583,800,000
	0511000 General Administration, Planning and Support Services	8,935,300,000	61,000,000	8,996,300,000

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VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
2101	National Police Service Commission	1,569,200,000	-	1,569,200,000
	0620000 National Police Service Human Resource Management	1,569,200,000	-	1,569,200,000
2111	Auditor General	8,726,300,000	300,000,000	9,026,300,000
	0729000 Audit Services	8,726,300,000	300,000,000	9,026,300,000
2121	Office of the Controller of Budget	913,700,000	-	913,700,000
	0730000 Control and Management of Public finances	913,700,000	-	913,700,000
2131	Commission on Administrative Justice	730,100,000	-	730,100,000
	0731000 Promotion of Administrative Justice	730,100,000	-	730,100,000
2141	National Gender and Equality Commission	722,500,000	-	722,500,000
	0621000 Promotion of Gender Equality and Freedom from Discrimination	722,500,000	-	722,500,000
2151	Independent Policing Oversight Authority	1,469,400,000	-	1,469,400,000
	0622000 Policing Oversight Services	1,469,400,000	-	1,469,400,000
	Sub-Total: Executive	1,952,072,700,000	845,130,000,000	2,797,202,700,000
1261	The Judiciary	26,884,500,000	2,629,900,000	29,514,400,000
	0610000 Dispensation of Justice	26,884,500,000	2,629,900,000	29,514,400,000
2051	Judicial Service Commission	927,400,000	-	927,400,000
	0619000 General Administration, Planning and Support Services	927,400,000	-	927,400,000
	Sub-Total: Judiciary	27,811,900,000	2,629,900,000	30,441,800,000

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VOTE CODE	VOTE & PROGRAMME	FINAL BUDGET CEILINGS FOR FY 2026/27		
		CURRENT	CAPITAL	TOTAL
2041	Parliamentary Service Commission	1,999,865,359	-	1,999,865,359
	0765000 General Administration, Planning and Support Services	1,743,865,359	-	1,743,865,359
	0766000 Human Resource Management and Development	256,000,000	-	256,000,000
2042	National Assembly	30,843,556,038	-	30,843,556,038
	0721000 National Legislation, Representation and Oversight	30,843,556,038	-	30,843,556,038
2043	Parliamentary Joint Services	7,442,410,806	1,915,000,000	9,357,410,806
	0723000 General Administration, Planning and Support Services	7,218,410,806	1,915,000,000	9,133,410,806
	0746000 Legislative Training, Research and Knowledge Management	224,000,000	-	224,000,000
2044	Senate	8,581,167,797	-	8,581,167,797
	0767000 Senate Legislation and Oversight	3,360,000,000	-	3,360,000,000
	0768000 Senate Representation, Liaison and Intergovernmental Relations	2,276,000,000	-	2,276,000,000
	0769000 General Administration, Planning and Support Services	2,945,167,797	-	2,945,167,797
	Sub-Total: Parliament	48,867,000,000	1,915,000,000	50,782,000,000
	Grand Total	2,028,751,600,000	849,674,900,000	,878,426,500,000

SECOND SCHEDULE

POLICY RESOLUTIONS RELATING TO THE BUDGET POLICY STATEMENT FOR THE FY 2026/27 AND THE MEDIUM TERM

General Recommendations

THAT, the Cabinet Secretary for the National Treasury and Economic Planning expedite the rationalisation, merger and dissolution of non-viable or duplicative State-Owned

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Enterprises (SOEs) by the end of October 2026 to enhance efficiency and ensure prudent utilisation of public resources.

THAT, in submitting of the Budget Estimates for Financial Year 2026/2027, the Cabinet Secretary for the National Treasury and Economic Planning ensures full adoption of the Government Finance Statistics Manual 2014 (GFS 2014) framework in the preparation and presentation of the fiscal framework.

THAT, the National Treasury, in consultation with the Attorney General, sets up a comprehensive framework for verification and settlement of court awards across Ministries, Departments and Agencies, and reports back to the House by February 2027.

THAT, beginning FY 2026/27, the National Treasury publishes exchequer releases including programmes in line with the programme-based budget. This will enhance quarterly performance monitoring and oversight of expenditure.

THAT, in the finalisation of the Budget Estimates for FY 2026/2027, the National Treasury should prioritise funding for key ongoing projects, including priority value chains under the Bottom-Up Economic Transformation Agenda to consolidate the progress towards the attainment of the Medium-Term Plan (MTP) IV.

THAT, by 30th June 2026, the National Treasury reports on the progress of implementation of the Electronic Government Procurement (E-GP) system and its integration with other government systems such as the Integrated Financial Management Information System (IFMIS) and Kenya Revenue Authority (KRA) tax systems.

THAT, by December 2026, the National Treasury incorporates financial literacy in programmes linked to Micro Small and Medium Enterprises (MSMEs) financing, including National Youth Opportunities Towards Advancement (NYOTA), Hustler Fund, Rural Kenya Financial Inclusion Facility, among other initiatives.

Finance & Production Sector

THAT, by the beginning of the next budget cycle, the State Department for Industry diversifies the raw materials used in the textile industry and the National Treasury, in collaboration with the Ministry of Trade, Industry and Investment Promotion, domiciles the textile value chain under the State Department for Industry.

Infrastructure Sector

THAT, by 30th April 2026, the Principal Secretary for the National Treasury, in collaboration with the Principal Secretary for Energy, should separate the current consolidated vote head (1152104400 – Electrification of Public Facilities) implemented by Rural Electrification and Renewable Energy Corporation (REREC) into two distinct vote heads, namely Electrification in Constituencies and Electrification of Public Institutions, to enhance transparency, ring-fence resources, and ensure balanced prioritisation and timely implementation of electrification projects.

THAT, by 31st December 2026, the Principal Secretary, State Department for Lands and Physical Planning, ensures that the National Land Policy is aligned to the definition of land in Article 260 of the Constitution and considers emerging issues in the land sector, in addition to fast-tracking the review of Sessional Paper No.3 of 2009 on the National Land Policy.

THAT, by 30th June 2026, the Cabinet Secretary responsible for the National Treasury implements the National Assembly resolution to approve the Chief Executive Officer of the National Land Commission as the revenue collector for the National Government as per Section 76(1) of the Public Finance Management Act, 2012, to enhance Appropriation-in-Aid collection.

THAT, by 30th May 2026, the State Department for Water and Sanitation finalises regulations under the revised Water Act, 2016 and allows Water Works Development Agencies to begin collecting Appropriations-in-Aid from bulk water sales in Financial Year 2026/2027.

Further, irrigation projects currently administered by Kerio Valley Development Authority (KVDA), Lake Basin Development Authority (LBDA) and Tana and Athi Rivers Development Authority (TARDA) should be transferred to the National Irrigation Authority with corresponding budgets. Additionally, the State Department for Blue Economy and Fisheries operationalise the Fish Levy Order, 2024, to increase Appropriation-in-Aid (AIA) collections and reduce reliance on exchequer funding.

Environment and Natural Resources Sector

THAT, by 31st December 2026, the Principal Secretary of the State Department for Tourism fully operationalizes the Tourism Crisis Management Unit and submits a report to Parliament confirming a functional 24-hour tourist assistance and incident response system, adoption of a national tourism emergency response protocol, operational coordination with security, health and transport agencies, and annual performance indicators on incident resolution and visitor assistance outcome.

THAT, by 30th June 2026, the Cabinet Secretary for the National Treasury and Economic Planning implement the Cabinet-approved mergers and dissolutions of State Corporations and publishes a clear transition framework and report to Parliament to ensure continuity of services during restructuring.

Social Sector

THAT, by 30th December 2026, the Cabinet Secretary for Gender, Culture and Children Services develops a comprehensive National Child Online Protection Framework addressing emerging digital risks and strengthening enforcement mechanisms.

THAT, by 30th April 2026, the Cabinet Secretary for the Ministry of Youth Affairs, Creative Economy and Sports, concludes the review of the Creative Economy Policy, the Creative Economy Bill, 2026 and the Copyright Act, Cap. 130 and submits them to Parliament.

THAT, within six months of the National Assembly's approval of this report, the State Department for Technical and Vocational Education and Training and the State Department for Basic Education finalise placement policies for learners and commence costing of programmes to support course-based funding.

THAT, within thirty (30) days of the National Assembly's approval of this report, the Social Health Authority (SHA) should operationalise a mandatory Primary Health Care Services Charter and enforcement framework.

Governance and Public Administration Sector

THAT, by the time of finalisation of the Annual Estimates for Financial Year 2026/2027, the Cabinet Secretary for the National Treasury and Economic Planning, in consultation with the Inspector General of Police, should adopt a phased and fiscally sustainable police recruitment plan that aligns the intake of new personnel with the availability of operational resources. The recruitment process should be sequenced to ensure that newly recruited officers are adequately trained, equipped, housed, and operationally facilitated to effectively discharge their duties.

THAT, no further public funds be provided for the renovation, partitioning, or structural modification of leased premises occupied by the Office of the Prime Cabinet Secretary. Henceforth, the National Treasury should cease financing such expenditures.

Hon. Temporary Speaker, I intended to make a long speech but I have received wise counsel from the Leader of the Majority Party and the leadership of the House. Since the Budget Policy Statement (BPS) we are processing today is not the final budget, the House will have another opportunity, in a couple of months, to discuss the Estimates.

This fourth BPS, under the Kenya Kwanza Government, it is the second BPS under the Broad-Based Government regime. The Leader of the Majority Party has spoken more about the manifesto of the Kenya Kwanza regime as well as that of the Broad-Based Government. In the past, we said that the two manifestos were more or less similar because the issues Azimio la Umoja wanted to pursue were almost similar to the issues contained in the Kenya Kwanza manifesto. I agree with him that, as a Broad-Based Government, our economic thinking is actually aligned.

I thank the Members of the Budget and Appropriations Committee who worked tirelessly with me to process this BPS. Hon. Temporary Speaker, you are aware that BPS is processed under very tight timelines. Coupled with that, there is a requirement in Article 201 of the Constitution that maximum public participation must be conducted before the document is presented here. I, therefore, thank the various Committees, led by their Chairs, who took time to work with us to enable us come up with this report.

Hon. Temporary Speaker, we also engaged various stakeholders in processing this Report. We spoke with the Office of the Auditor-General and met the Commission on Revenue Allocation. We also met other stakeholders who spoke to us about other very important segments of the BPS, including shareable allocation to counties. We equally spoke to the Council of Governors who gave us their views about the contents of the BPS.

Our economy has been growing steadily. In this Financial Year, we had projected that the economy would grow by about 5 per cent, but looking at the growth in the first three quarters, it has been very promising. In the first quarter, our Gross Domestic Product (GDP) grew by about 4.9 per cent. In the second quarter, it grew by about 5 per cent, and in the third quarter, it has grown by about 4.9 per cent. When you look at those growth percentages, you will see that we are achieving our projections in the current budget.

Hon. Temporary Speaker, this BPS is equally promising to grow our economy by about 5.3 per cent. This growth will be anchored on a number of factors. The first factor that will determine this growth is agricultural expansion. Our economy continues to rely heavily on the performance of agriculture, which has not let us down. We have continued to allocate resources in this BPS to support the projected growth in agriculture which will fuel GDP growth.

Secondly, there are efforts put in place to pay pending bills. Pending bills in the road sector have been substantially paid. Due to this, most contractors of stalled projects have resumed construction. This will have a very big impact on our economic performance. First, we will see changes in the performance of the financial sector. Banks will begin releasing funds to the private sector and this will help us grow the economy. This is the outcome of the program of securitisation of the Fuel Levy, which was opposed by a few of our Members here. If you walk across this country, you will see that most previously stalled roads are now in use. That will impact the economy.

We are also focusing on the Micro, Small and Medium Enterprises (MSME) sector. The National Youth Opportunities Towards Advancement (NYOTA), which is being spearheaded by the President, is not just a program. We are forecasting that this program will give us a rebound in our economic performance. I want to tell the House that we have allocated some funds in this BPS to enhance that program.

I would also like to talk about housing. The Affordable Housing Programme is a very important flagship project for this economy. As the Chair of the Budget and appropriations Committee, I want to report that the industry sector, which is supported by housing, is rebounding and growing steadily. This is one of the sectors that we will use to grow our economy.

Hon. Temporary Speaker, the biggest problem we have had in the past is our revenue targets. Over the past few years, despite the many attempts to correct this, the revenue projection that we bring to the Floor of the House is never realised. In the past, there were attempts to increase headcount at the Kenya Revenue Authority (KRA). We thought that

because KRA needed more staff, and we resourced it to hire more staff, we would collect more revenues, but we realised that this did not give us proper results.

In this Budget Policy Statement (BPS), we have made a deliberate attempt to reorganise and digitise it to make it work and raise more revenue for us. We are doing this because the total revenue we collect is 16 per cent of the Gross Domestic Product (GDP). If you compare this to the regional economies that we compete with, like South Africa, which is doing 25 per cent of the GDP, it means the structure of our economy is capable of raising more revenues.

I am emphasising on the revenue aspect of my presentation because this is where our problem has been. The BPS has proposed to allocate Ksh20 billion to KRA to facilitate these reforms. We want it fully digitalised and automated. We are trying to remove the human interface in the process of collecting revenues. By using these resources, we want it to be more efficient and expand our tax base.

It is true that only a few Kenyans are paying their taxes. Many Kenyans out there, including businesses, do not pay their taxes. We want to find a formula that we can use to ensure we bring more people, hence broadening our tax base. If we do this, we can be certain that for the first time, the revenue projection, which we have put at about Ksh2.9 trillion ordinary revenues, will be easily realised.

Our revenue projection for the current Financial Year was Ksh2.7 trillion. However, we are running at a shortfall of about Ksh100 billion. Going forward, if we improve these systems, achieving about 20 or 25 per cent of our GDP as total revenue might be possible.

I also want to speak about the overall expenditure. The BPS proposes an overall expenditure of Ksh4.75 trillion. As I have already read here, this is an improvement of about Ksh300 billion. In the previous Budget, our total expenditure was Ksh4.3 trillion. The National Government will continue to take the largest chunk of our budget. In this BPS, we are proposing a ceiling of Ksh2.86 trillion for the National Government, which is an increase of about Ksh317 billion from the approved Estimates for this Financial Year.

Parliament, as you have seen, will take about Ksh50 billion. There are overall increases in all these institutions. The transfers to counties will be about Ksh420 billion only, which is an improvement of about Ksh5 billion from this year's estimates. The people we spoke to, challenged this allocation. They are suggesting we increase it to about Ksh450 billion. Both the Commission on Revenue Allocation (CRA) and the Council of Governors (CoG) recommend this. However, we still insist that the allocation is modest and achievable.

Hon. Temporary Speaker, we still insist that this is modest and achievable. In case of revenue shortages, it is the National Government that normally bears that shortage. The number of resources allocated to counties is never affected. Thus, we have to be careful on that so that we do not push more resources to counties. With the challenges Members of this House are aware of, we feel this is accommodative.

I would like to take this opportunity to take you through the budget ceilings for the various sectors for Members to take note. The first sector is Agriculture, Rural and Urban Development sector. The ceiling for this sector has been increased by 17.7 per cent. We are putting a lot of effort in the agriculture sector because it has been performing very well as witnessed from the records that we have. We have been lucky to have the support of favourable weather. We are hopeful that even in the coming financial year, we will still enjoy favourable weather to allow us to enjoy the fruits of the investments we have put in the sector. Consequently, the agriculture sector ceiling is Ksh97.7 billion.

The second sector is the Energy, Infrastructure and Information and Communication Technology (ICT) sector. Hon. Temporary Speaker, this sector has also proposed an increase of about 11.2 per cent and the proposed BPS allocation to energy, infrastructure and ICT sector is Ksh594,507.97 billion.

Hon. Temporary Speaker, the general economic and commercial affairs sector has seen an increase of about 6.9 per cent. The total allocation in the ceiling is Ksh62,192,000,000.

The other sector is health. It is one of the sectors which will be very instrumental in this BPS. As you are aware, the primary health in the Universal Health Program (UHC) is intended to address comprehensive health care for all Kenyans including the poor. Even though the funding required for UHC is about Ksh38 billion, in this BPS, we have proposed to allocate about Ksh13 billion. We hope that in the course of the year we should be able to raise more resources to support primary health care. Consequently, the allocation for health program is Ksh167,407,000,000, an increase of 21 per cent from this year's estimates.

The education sector always takes the largest chunk of our budget and even in this BPS, we have proposed to allocate even more. The education budget is growing by about nine per cent. from Ksh703 billion in this year's Budget to KSh767 billion in the current BPS.

Hon. Temporary Sector, in the Governance, Justice, Law and Order sector, we have proposed to increase their budget by 16.6 per cent from an allocation of Ksh283 billion to Ksh389 billion in the present BPS.

The other sector is Public Administration and International Relations. This is where we have the public service, foreign affairs etc. In this sector, we are proposing an increase of 10.4 per cent from an allocation of Ksh321,503,000,000 to Ksh354,999,000,000.

The next sector is National Security. This is a very important sector and just for Members to note that we have never funded the National Security satisfactorily. However, we have an increase of 18.2 per cent in this Budget Policy Statement (BPS). We are growing their ceiling from Ksh253,770,000,000 to Ksh299,963,000,000. The other one is social protection, culture and recreation. We are growing their ceiling by 18.2 per cent from Ksh78,994,000,000 to Ksh87,225,000,000.

The last sector that I want to talk about is environmental protection, water and natural resources. Their budget is growing by 11.3 per cent, from an allocation of Ksh95,000,000,000 in the current estimates to Ksh106,706,000,000.

As I mentioned earlier when I began, the BPS just prepares us to process the real estimates, which is going to happen in the next few months. I know Members will have a very big opportunity to discuss the estimates. As a House, we shall also have more opportunities to interrogate the estimates. I ask Members to support the BPS 2026 as ...

(The microphone went off)

The Temporary Speaker (Hon. Omboko Milemba): Give him the microphone so that he may conclude his contributions.

Hon. Samuel Atandi (Alego Usonga, ODM): I ask Members to support the BPS. We have made a few changes in the Parliamentary Service Commission vote, Security vote, Auditor-General vote, as well as the Judiciary. Remember the Report is here and I think every Member also has the Report. Members, I, therefore, urge you to support this BPS so that we can proceed to the estimates. I ask the Vice-Chairman of the Budget and Appropriations Committee, Hon. (Dr) Pukose to second.

The Temporary Speaker (Hon. Omboko Milemba): Pronounce yourself on moving.

Hon. Samuel Atandi (Alego Usonga, ODM): Thank you. I beg to move and ask the Vice-Chairman to second.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Pukose.

Hon. (Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Temporary Speaker.

I second the 2026 BPS that was tabled in this House and went through the various committees. This BPS sets the ceilings for the various ministries. It sets the ceiling for Parliament, Judiciary, Executive and also allocates money to the counties, which we have

allocated Ksh420 billion. In the last Financial Year, we had allocated Ksh415 billion. It is therefore an improvement. We are hoping that when the estimates are tabled, Members will be able look at what has been allocated per line item.

We are also hoping that in this case, ministries and counties will prioritise pending bills as the first charge. This is because we have pending bills that have stayed for quite a long time without being paid. This limits money circulation. People talk about how the economy is growing, yet they are not feeling the money in their pockets. And because some of the pending bills are actually not being honoured, people go into new projects while neglecting their old projects. We are hoping that in the estimates, all stalled projects must be prioritised and pending bills must be first on the charge.

When the Cabinet Secretary for the National Treasury and Economic Planning appeared before our Committee, he said the only thing he can do to the accounting officers is to take away their signatures. That is the only power he has. But this House has more power. When accounting officers cherry-pick on the pending bills to pay and which not to, it hurts the economy. It also hurt Kenyans who have invested and done work in the county governments or the National Government.

In this BPS, we have also given Kenya Revenue Authority (KRA) about Ksh20 billion. We hope that the Kenya Revenue Authority (KRA) will use those funds to generate more money. Out of that amount, Ksh5 billion will go to their medical scheme because when a KRA officer has a sick child, it is challenging for them to look for money to pay for medical bills, yet they handle money. We have taken care of KRA staff in the Budget, so that they have a functional medical scheme. They can utilise the rest of the money to widen their tax collection base, so that we can collect more taxes.

The Budget Policy Statement (BPS), 2026 has allocated funds to Universal Health Care (UHC) workers, who have been agitating for permanent and pensionable jobs. The funds will be allocated to the counties where they are stationed. They will now be employed as permanent and pensionable staff. We have provided about Ksh7.9 billion for the adoption of all UHC workers working within the counties. The payroll will be transferred to the counties starting from 1st July.

We are also headed into an election year. As my Chairman put it, the Committee has ensured that our national security officers are well taken care of to secure our borders and maintain law and order. The Committee has raised the ceiling by about Ksh3 billion, so that national security agencies are well catered for to secure both our internal and external borders.

We hope to meet our targets with this Ksh4.57 trillion budget. Should we not meet the collection targets, we will utilise the Supplementary Budget and the National Government allocation, whose ceiling is about Ksh2.8 trillion. That informs the decision to give the counties Ksh420 billion because their allocation cannot be returned to the Supplementary Budget. Our colleagues in the Senate and Governors should use those resources to ensure that devolution works in their various counties.

With those few remarks, I beg to second the Motion.

(Question proposed)

The Temporary Speaker (Hon. Omboko Milemba): I will first give an opportunity to the Chairperson of the Departmental Committee on Trade, Industry and Cooperatives, who has an amendment to this Motion.

Hon. Bernard Shinali (Ikolomani, ODM): Hon. Speaker, I beg to move that the First Schedule to the Order Paper be amended under Vote D1175 (State Department for Industry) as follows:

- (a) Under programme 0320000 Industrial Promotion and Development by deleting the expression “Ksh4,227,600,000” and substituting therefore the expression “Ksh1,447,600,000.”
- (b) Under programme 0321000 Standards, Quality Infrastructure and Research by deleting the expression “Ksh650,000” and substituting therefore the expression “Ksh3,430,000,000.”

The Temporary Speaker (Hon. Omboko Milemba): Who is your seconder?

(Several Members spoke off the record)

Order, Members. The Chair is still on the Floor. He will explain. Proceed and explain your amendment. Order, Chair. Let me hear the point of order from the Chair of the Budget and Appropriations Committee because I am sure you are working together. Give him the microphone.

Hon. Samuel Atandi (Alego Usonga, ODM): I rise under Standing Order 114 to say that the Budget and Appropriations Committee is unfamiliar with the amendment. We are not aware of this amendment because it has not been brought to our attention.

The Temporary Speaker (Hon. Omboko Milemba): Let me allow the Chair to continue moving the Motion. I also ask the Deputy Leader of the Majority Party and the Chair of the Budget and Appropriations Committee to approach the Speaker’s Table. Proceed, Chairperson.

Hon. Bernard Shinali (Ikolomani, ODM): I launched the necessary amendment and it was approved. That is why it is on the Order Paper. The Committee realised several matters after meeting and engaging the relevant industry.

The implementation of the County Aggregation and Industrial Parks (CAIPs) that commenced in July 2023 is based on a co-financing arrangement requiring both the National Government and respective county governments to each contribute Ksh250 million. However, the current implementation status indicates that several county governments have not adequately prioritised this budgetary allocation. That poses a significant risk of project delays or stalling due to insufficient counterpart funding.

Furthermore, recent engagement with the Cabinet Secretary of Investments, Trade and Industry did not acknowledge that the current implementation model of the CAIPs requires restructuring. The initial framework adopted was a uniform approach across counties. It does not adequately account for the diverse economic activities and comparative advantages of each region.

Until the model is reviewed and counties show commitment to funding their shares, it is not prudent to allocate additional funds to CAIPs in the 2026/2027 Financial Year. That is in light of existing funding gaps, inconsistent county commitment to co-financing applications, and the need to re-design the framework to ensure counter-specific implementation.

The 13 CAIPs with nil allocation under the National Government had zero to five per cent implementation as per the report submitted to the Committee considering the 2024/2026 Financial Year estimates. Some like Elgeyo/Marakwet and Nairobi face challenges with land issues. Even after funding the full amount to counties like Vihiga, it is only at 17 per cent. A county like Siaya is only at 23 per cent yet we have funded the full Ksh250 million from the national government. There is no way we can oversight this money. One goes to a county and there is no framework to oversight the money.

As I conclude, the agreement that existed before was only for 18 counties. The other counties have no framework of receiving the money and even showing how they have contributed to the fund. As of now, we have fully financed 34 County Aggregation Industrial

Parks (CAIPs) with Ksh8.5 billion. We ask this House to resolve that the funding be stopped until it is redesigned and restructured so that taxpayers' money is not lost in this manner.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Who is your Secunder? Give him the microphone.

An Hon. Member: On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Relax, I will give you a chance. Order Hon. Makali, I am coming to you.

Hon. Bernard Shinali (Ikolomani, ODM): Hon. Temporary Speaker, I beg to move. I ask Hon. Marianne Kitany, the Vice Chairperson, Departmental Committee on Trade, Industry and Co-operatives, to second.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, I know you have several things to speak on this, but allow the Hon. Member to second then I will allow you to proceed. Proceed, Hon. Member

Hon. Marianne Kitany (Aldai, UDA): Hon. Temporary Speaker, I beg to second this amendment.

The Industrial Promotion Development Line item of Ksh4,227,600,000 is being reduced to Ksh1.447 billion and the Standards and Quality Infrastructure and Research amount is being increased from Ksh650 Million to Ksh3,430,000,000. That in effect does not affect the ceiling for Vote Head D1175. The Vote Head remains as Ksh9,191,600,000 as per the Budget Policy Statement.

As I second, Hon. Temporary Speaker, I wish to state that this particular item came before the Departmental Committee. We looked at the issues in terms of how CAIPs are being implemented. The State Department itself told us that they are unable to oversee this particular fund. The reason they are not able to oversee is because of the way the funding is structured. Initially, counties were supposed to give an equivalent amount as the national Government. If the national Government was to give Ksh250 million, counties were also supposed to put in Ksh250 million.

So far, we have done 34 counties which have already received full allocation from the national Government level. However, we only have eight counties that have been able to implement their CAIPs. Oversight of this funding is a challenge. Even us, as Parliament, are unable to oversee the funds because the funds go to the Consolidated Fund and, thereafter, they are supposed to go to a ring-fenced account. However, counties do not deposit the money in county accounts. When they are asked to account for it, they are unable to give reports to the Departmental Committee. That is why we recommend that until we have a proper mechanism to account for the funds, let us move the funds to the Standards Quality Infrastructure and Research budget line as we put the infrastructure in place.

As I conclude, there needs to be a policy put in place that provides that for every shilling the national Government gives, counties also give an equivalent so that the CAIPs can actually be done and implemented as was designed from the beginning.

Hon. Temporary Speaker, I second. Thank you.

Hon. Members: Put the Question.

Hon. Temporary Speaker (Hon. Omboko Milemba): Order Members. The Temporary Speaker of the National Assembly is a very seasoned person and when you see this on the Order Paper, allow it to go and then we shall give you a chance to speak on it.

(Question of the amendment proposed)

The Temporary Speaker (Hon. Omboko Milemba): On this one, we must hear from Members. The reaction was quite loud. The Leader of the Majority Party takes precedence.

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Hon. Kimani Ichung’wah (Kikuyu, UDA): Hon. Temporary Speaker, I rise to oppose this amendment. County Aggregation and Industrial Parks (CAIPs) are an integral part of the Bottom-up Economic Transformation Agenda (BETA) because you cannot transform a country from one corner or from the centre. CAIPs became that model where you are trying to aggregate produce – and that is why they were called aggregation centres – in a certain locality so that they can add value at that particular point and help grow the economy of those particular counties across the country.

I hear the sentiments by the Chairperson and the Vice-Chairperson of the Departmental Committee on Trade, Industry and Cooperatives, but I think it is the Committee that is failing this House. This is because the issues I have heard the Vice-Chairperson speak to are issues that can be addressed within the Committee in terms of implementation and proper oversight of how those projects are being rolled out. Therefore, you cannot now use the House by asking it to agree with you that you punish people by removing money. You will not be punishing those that you are targeting, but the constituents of those particular counties. You are not even telling us which particular CAIP you are taking money from.

For instance, the CAIP in Kirinyaga County is almost at 90 or 95 per cent completion. What if the money you are taking away from them is from Kirinyaga or Busia? This is because Busia County is also doing very well. I think even Kitui County, where Hon. Makali Mulu comes from, is doing well. We have governance problems at the local level in my Kiambu County. We should be able to sort the governance problems at the county level and press our governor to push forward the CAIPs but we should not use this House to deny a government programme the resources required to move it forward. I wish the Departmental Committee on Trade, Industry and Cooperatives had made policy recommendations or even brought amendments to add to the policy recommendations on how to ensure proper governance within the implementation programme of these CAIPs.

Therefore, I urge the House to oppose this particular amendment because it also sets a very bad precedent if we allow the Budget and Appropriations Committee to put in all the work that they put in, because the Departmental Committee on Trade, Industry and Cooperatives had the opportunity to also convince the Budget and Appropriations Committee. If you could not convince 27 members of your Committee, why do you want to convince 349 Members? If you cannot convince 27, you cannot convince the 300 of us. I oppose.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Makali Mulu, you really had a great interest in this. I see all of you. Please give Hon. Makali Mulu the microphone.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you, Hon. Temporary Speaker. I wanted to raise a constitutional issue. I think our Standing Orders allow us to interrupt debate at any point so long as you are raising a constitutional issue. I really appreciate the explanation by the Chairperson and Vice-Chairperson of the Departmental Committee on Trade, Industry and Cooperatives. Whereas there could also be a very good justification as to why they are reducing the money, I think the fact that the Chairperson of the Budget and Appropriations Committee said he was not aware takes us back to Article 114 of the Constitution. This is a money Bill. By the fact that the Chairperson of the Budget and Appropriations Committee is not aware, automatically, irrespective of how good the justification is, it falls. That should be the case. So, it is our work to make sure that next time they convince the Committee before they even come to the House. In that case, procedurally, this amendment is not in the House in the correct manner. I submit, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Chairperson of the Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, Hon. Makali Mulu has spoken my mind. I saw this amendment on the Floor of the House. Without going into its merits and demerits, it states:

That the Assembly may proceed only in accordance with the recommendations of the relevant committee of the Assembly, after taking into account the views of the Cabinet Secretary responsible for Finance.

I do not want to dwell on the merits or demerits of the amendment. Article 114 of the Constitution is very clear. At the end of the day, this particular amendment will change the numbers. As the head of a Committee, sometimes, I see amendments and understand the repercussions of appearing before the committees. As a House, it is only fair that before we bring amendments on the Floor of the House, we consult the respective committees. Hon. Atandi, the Chairperson of the Budget and Appropriations Committee, was agitated by this comment. I asked him whether he was aware of it. If the committee responsible is not aware of the amendment, then it means that the Cabinet Secretary is also not aware of it.

Hon. Chairperson and Hon. Vice-Chairperson, the good thing is that this is a policy recommendation. We will have a chance to address it during the Budget Estimates. Instead of making this House to vote against the Budget and Appropriations Committee for the first time and a departmental committee, my advice is for you to withdraw these particular amendments, rethink how to approach the challenges you go through in those agencies and then bring the matter during the Budget Estimates. We will support you.

I beg to yield, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Wanami Wamboka had also shown interest to contribute. He will be our last speaker.

Hon. Wanami Wamboka (Bumula, DAP-K): Notwithstanding the good presentations made on the Floor by my seniors, it is also important to know how Hon. Shinali arrived where we are today. I know it is a procedural issue which is not correct. However, it is not bad to take stock of what is happening in these counties. It is important to note that the Chairman of the Departmental Committee on Trade, Industry and Cooperatives has a point, regardless of whether he has followed the procedure or not.

The County Aggregation and Industrial Parks are not working. The county governments have given the national Government a raw deal which should concern them. It is one of the flagship programmes of this administration. The fact that hardly 20 per cent of the counties have done what is expected of them is worrying. We are guided by procedures. However, I believe that the Departmental Committee on Trade, Industry and Cooperatives needs to find a better avenue to interrogate this issue because the county governments must be held accountable. I agree with Hon. Atandi, Hon. Mulu and Leader of Majority Party on procedure. However, the county governments must not escape scrutiny of this important function.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, I have heard from the two sides. I believe these were subsidiary amendments. Therefore, we do not need to proceed further. I will proceed to put the Question. However, I advise that in future, lots of consultations are important before such matters are brought to the House.

Hon. Members: Hon. Temporary Speaker, the Chairman wants to say something.

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Members. Hon. Temporary Speaker is on the Floor of the House. Given that the Speaker of the National Assembly had already gone through this matter and placed it on the Order Paper, I will proceed to put the Question so that the House can make a determination.

(Question, that the words to be left out be left out, put and negatived)

(Question, that the words to be inserted in place thereof be inserted, put and negatived)

Therefore, we go back to the original Motion as moved by Hon. Atandi. I give the first chance to Hon. Rindikiri.

(Resumption of debate on original Motion)

Hon. Mugambi Rindikiri (Buuri, UDA): Thank you, Hon. Temporary Speaker. The annual Budget Policy Statement gives direction on what we need to do as a country. It gives us the opportunity to engage members of the public and to align the resources that we have with the government development agendas. I stand on behalf of the Departmental Committee on Housing, Urban Planning and Public Works, which is in charge of the transformation agenda in the housing sector. This Budget Policy Statement has clearly given a lot of consideration to the intentions of the sector to grow. We therefore support that initiative and say that we are satisfied with the ceiling that was given.

Similarly, we have looked at the requirements of the public works sector, which also falls under the purview of our committee. It is very important to note that the sector of housing is part of the Government's Bottom-up Economic Transformation Agenda (BETA). Therefore, when resources are allocated adequately, it is upon the implementing agencies to put them into operationalisation. We need a lot of money channelled towards satisfying the requirement of housing in this nation. We are short of about one million units of houses. Therefore, we are looking forward to this Budget Policy Statement to speak to the requirement of our departments. We have issues as far as...

*(Hon. Wanami Wamboka
consulted with the Temporary Speaker)*

Hon. Mugambi Rindikiri (Buuri, UDA): I am engaging the Temporary Speaker, not the Chairman of the Public Investments Committee on Education and Governance, please. I want the Temporary Speaker to hear what I am talking about.

The Temporary Speaker (Hon. Omboko Milemba): Proceed, Hon. Rindikiri.

Hon. Mugambi Rindikiri (Buuri, UDA): Hon. Temporary Speaker, each committee should be satisfied that the amount that has been set is sufficient to implement the Government agenda. This is where the bulk of the money is being spent. I have just spoken about housing.

We have issues with the public works as part of the implementing agencies. We have issues with the National Construction Authority (NCA), which is part of the implementing agency in the housing sector. We believe that when it comes to the Budget Estimates in May, we will be able to address those shortfalls. That is why I agree with your decision that we cannot engage in amending the Budget Policy Statement at this point because we will have another opportunity to do so in May when we start discussing the actual budget.

But all in all, this is a statement that has gone through a lot of public participation. We have engaged some of the stakeholders. We have engaged the people who are going to implement some of these Government projects. We are satisfied that if we follow the standards that have been set, we will be able to demonstrate what the Government is doing. I reiterate that the Government is committed to providing adequate housing. We are committed to providing a lot of supporting systems and subsidiary requirements that go to enhance the housing sector. This Budget Policy Statement (BPS) has given us the opportunity to address the policy matters.

I support that we approve this BPS Statement. Thank you.

The Temporary Speaker (Hon. Omboko Milemba): Hon. (Dr) Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you, Hon. Temporary Speaker, for this opportunity. I will start by appreciating the Departmental Committees and the Budget and Appropriations Committee, where I sit, for looking at this important policy document.

This being a policy document, it focuses more on policy direction and strategic thinking of the Executive as of now and how they want to push the resources which will be collected through taxation and other means. That being the case, I would want to highlight some of the areas I think, as we move to the future, we could improve for the purposes of getting it right at the policy statement.

One of them is the issue of revenues. When I look at this document, over time, the Government has been projecting revenue. If you do an analysis of the years in the past, you realise that, year in, year out, we have been over-projecting our revenue. As a result, we do not get it right in terms of projecting our budget deficit. It is on that basis that we need to get it right in terms of revenue projections. That is why it is important when they say they are going to give the Kenya Revenue Authority (KRA) more money so that we improve on tax administration, because there are cases where it has been reported that even some companies have been issued with tax compliance certificates when they are actually not compliant. These are some of the areas where these gaps must be addressed if we have to get it right.

The second important issue is of policy, specifically on the public debt and more so, the public debt pressure. Over time, if you look at the figures given there, you realise now we are at a level where our debt-to-GDP ratio is at 65.6 per cent and our revenue-to-debt ratio is at 68 per cent, meaning that for every Ksh100 we collect, Ksh68 goes to repayment of debt. That reduces our fiscal space so that we cannot really implement the other activities. As a policy matter, what has happened is that over time, we have been revising our revenue downwards through supplementary budgets and we have been revising our expenditure upwards. That leads to what we call a moving budget deficit. So, despite our three-year annual budgeting programme, you find that any time we say this is a deficit, like now this House has fixed the budget deficit at 5.3 per cent, you will be surprised that by the time we get to the end of the financial year, we might even be as high as 6 per cent. Matters of public debt are another area where, as a policy issue, we must get it right if we are to get it right in terms of budgeting.

The other issue which we picked from the document is the issue of accounting for contingent liabilities. We have pending bills and other contingent liabilities. Therefore, it is important that in our accounting documents and in the way we capture them in our books, we get it right. Otherwise, if we do not get it right, then we end up under-budgeting and, as a result, we will have a challenge.

The other matter, which is also a policy issue, is low development budget absorption. When we are budgeting, we do 30 per cent development and 70 per cent recurrent. If you analyse the figures over the years, you realise that we hardly hit the 30 per cent mark for development. If we really want to grow this economy, we must make a very deliberate move as a country to achieve at least 30 per cent development. In that case, we would be living by the spirit of the document. Over time, we live the spirit of the document, but not in the implementation.

There are very good expenditure reforms proposed. The reforms are based on zero-based budgeting and the Single Treasury Account. These are very critical reforms on matters of expenditure. How I wish that we could implement and fast-track them, so that we get it right. If we do not get it right at the policy level, we will also not do so at the implementation level. Those are some of the things that I picked up on. I wish I had more time, but if we go in that direction, the BPS will start making sense.

The Temporary Speaker (Hon. Omboko Milemba): The list is quite clear. Next is Hon. Gitonga Murugara.

Hon. George Murugara (Tharaka, UDA): Thank you very much, Hon. Temporary Speaker. I beg to support this Motion to adopt the BPS for the upcoming financial year.

This is a constitutional requirement. The National Treasury prepares the BPS and brings it to the House, which considers it through the Budget and Appropriations Committee and makes a decision. I am grateful to Hon. Atandi and his Committee because they listened to us, took our views and made necessary adjustments where possible. As he moved the Motion, we heard substantial increments. That means that we are possibly collecting more revenue, which will be available both for recurrent and development expenditure.

I laud the increment for the Judiciary because for the first time, its allocation has hit the Ksh30 billion mark. It was their hue and cry that they needed to be well funded so that they could dispense justice in the country. They are not a production unit, per se. They do not generate much income apart from the usual fines and deposits. However, they perform a very important task in the country - to deliver justice to the people. Therefore, it is commendable that they have an additional Ksh2 billion in their account. I implore them to ensure that those funds are properly used. The development funds should be used to develop the Judiciary, especially the courts. Members desire for each sub-county to have a law court, so that people do not have to travel long distances to “buy justice”. They should move to the next court, just as they go to a kiosk to get sugar or salt. The same should apply to justice.

We have also increased the allocation to the Independent Electoral and Boundaries Commission (IEBC). We are headed to an election year next year and that Ksh41 billion increment is justifiable and justiciable. We will also be calling upon them to use it prudently, so that the essential elements of the elections are catered for first. That is why we raised the issue of why printing of ballots had not been provided for, yet other lesser necessities had been provided for. The same applies to the Ethics and Anti-Corruption Commission (EACC), the Office of the Director of Public Prosecutions (ODPP) and the State Law Office. They have all received increments, which is commendable.

After consideration of the BPS, we will move on to the Estimates, where we should listen to the agencies and engage in public participation. We will be going to Hon. Atandi for the Ksh4 billion that he has set aside for public participation. He should allocate slightly more for public participation and development projects.

With those many remarks, I beg to support the Motion.

The Temporary Speaker (Hon. Omboko Milemba): We have built courts in my sub-county, which your department has not adopted. They are getting destroyed. That is a case for another day. Let us have Hon. Elachi.

Hon. Members, you will all speak to this. I am following the queue.

Hon. Beatrice Elachi (Dagoretti North, ODM): Thank you, Hon. Temporary Speaker. I also rise to support the Report on the BPS for the Financial Year 2026/2027. I will be very brief. One of the things I would like to appreciate Hon. Atandi’s Committee for is the matter of the Kenya Revenue Authority (KRA). Indeed, we were expected to have a very good system in the last 10 years. However, it has always been a challenge for the KRA to finalise and implement a digital system that would strengthen revenue collection and ensure we have modern systems capable of collecting revenue. It would enable us look at our projections and understand where the country is going.

We must remember to adjust the focus based on the economic conditions that we have if we want to have a very good economy even as we look at the Budget Policy Statement. Good projections should be based on actual past performance. We, for many years have been saying even to the National Treasury, that it is important to help this House move towards itemising our budgets. We have now allowed ourselves to move to a digital payment system. Within that system, it would have been very easy for the country to understand how to expand its revenue base.

As I look at the Report, education is one of the things many people will be focusing on. I see we have put in funds for Junior Secondary School (JSS) teachers in education. As much as I know, they are crying out to ensure that all of them are employed on permanent and pensionable terms. We need to discuss with them as we move slowly by slowly to ensure that this House fulfills the promise given to them.

I would like to speak and plead about the health docket as I conclude. The Social Health Authority (SHA) is very critical and important to us. However, some areas need reorganisation. Children with autism requiring therapy is an example. We need to be frank with Kenyans because sometimes there are patients with very serious chronic diseases. We need to start engaging Kenyans and telling them that there is a level to which their SHA contributions can pay and the rest will be supported.

Those in charge of SHA should not fear. It is important to create awareness because they know very well that the situation would be worse if there was no SHA. You can encourage them to contribute something small in addition to what they normally pay. Tell a family that a disease may accumulate costs of Ksh1 million, Ksh2 million or Ksh3 million, but SHA will handle the rest. I say this because sometimes patients are taken in many circles when they go to hospitals and the bill is very high. Yet the biggest challenge is simply explaining the situation to the family and many families would agree.

With those few remarks, I beg to support.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Elachi, just be strong when you speak about the 44,000 JSS teachers. I heard you lower your voice. It needs to be budgeted. Ask the House to move them to permanent and pensionable terms. Let us hear from Hon. Githinji. He is not there. We must now listen to Hon. Eckomas because he is next.

Hon. Mwengi Mutuse (Kibwezi West, MCCC): Thank you for the opportunity to comment on this year's Budget Policy Statement. I also sit in the Budget and Appropriations Committee that Hon. Atandi ably chairs.

From the outset, I laud chairpersons of departmental committees who appeared before us. I also laud other stakeholders including the National Treasury, the Office of the Auditor-General and others who made presentations regarding the BPS. As you know, besides setting out government's strategic priorities, the BPS also outlines measures for revenue mobilisation.

This year we are talking about a total budget projection of about Ksh4.7 trillion. Ordinary revenue is projected at about Ksh3.6 trillion. That money will be raised locally, from Kenyans. As it has been said before, last year the revenue projection under ordinary revenue was lower than this figure. The year before, the revenue projection under ordinary revenue was lower than that figure. The year before the year before, the revenue projection was lower than Ksh3.6 billion and yet, in the three years preceding this one, we did not meet our revenue projection which was lower. The Committee was asking – and we engaged the Treasury on this – what miracle they will do this year to achieve ordinary revenue of Ksh3.6 trillion? We are apprehensive that if we continue setting out revenue projections that we cannot meet, it will be a panacea for pending bills because we will be spending money than we do not have.

Two, to grow an economy, you need to have an efficient system of dispute resolution. Our disputes ordinarily are resolved by the Judiciary. If you may recall, three years ago the Judiciary was receiving about Ksh18 billion. I want to laud Parliament and the Executive because for the last three years, the Judiciary has seen its budget increase cumulatively to about Ksh30 billion. I want to request the Judiciary to play its rightful role in growing this economy by making sure that it resolves all commercial disputes that come before it in time, so that money under dispute can be released to circulate in the economy and give investors confidence in our economy.

As it has been mentioned before – being the Vice-Chairperson of the Departmental Committee on Justice and Legal Affairs – we are now going to an election year. We started

giving the Independent Electoral and Boundaries Commission (IEBC) funding for preparation of the elections in the current financial year. In the next financial year and the Financial Year 2027/2028, the IEBC will also be given money for elections. We are a constitutional democracy. We sit here by virtue of elections that were presided over by the IEBC. Our Constitution demands that our elections must be free, fair, democratic and peaceful. We are also a country with great trust deficit in the IEBC. As a result of having that trust deficit, our elections have become very expensive. However, that cannot be used as an excuse to double spend on some of the items. We are, for example, questioning why the IEBC wants to buy 41,000 Kenya Integrated Elections Management System (KIEMS) kits without proper justification as to whether the ones that were purchased in the last elections and the existing ones have become obsolete. We have asked them to give us an expert report to show that the existing KIEMS kits cannot work so that we provide the billions that they are asking for to buy new kits.

With those remarks, I beg to support and urge the House to adopt this year's BPS.

The Temporary Speaker (Hon. Omboko Milemba): The Leader of the Minority Party will take precedence. Hon. Oundo, you were supposed to be the next one on the Floor. So, you will come after the Leader.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Temporary Speaker. I rise to support this Motion for agreement with the Budget and Appropriations Committee on their consideration of the Budget Policy Statement for the next Financial Year 2026/2027. Allow me to thank the Chairperson of the Budget and Appropriations Committee and all its members for their diligence and the amount of work they put together with all the chairpersons of departmental committees, including the Chairperson of the Trade, Industry and Cooperatives Committee whose amendment has fallen. It is only fair that we do things in line with our own procedures.

We accorded each committee time to engage with the Budget and Appropriations Committee before this Report was tabled here. The Budget and Appropriations Committee then shares the outcome of their engagements with committees with the National Treasury. That is the matter that Hon. Makali was alluding to. That, procedurally, that amendment should not even have been here. However, now that it was there, the House has made the right decision about it. I am saying that because all our departmental committees have spent a lot of time considering the Budget Policy Statement for this year and the Division of Revenue which – without anticipating debate – is bound to come before us next week.

I say this because this afternoon I had mentioned that there are quite a number of Chairpersons who have been missing sittings and some who have had business before the House. Even this morning, I mentioned the Chairperson of the Special Funds Committee, Hon. Fatuma. She is a very diligent Chairperson. She does not chair a departmental committee, but she sits through the House all the way to the end. I was later informed by the Deputy Speaker that she had actually excused herself. In the holy month of Ramadan, being a Muslim lady, she had excused herself to go and break her fast in the evening. That is why she was not in the House. I thought it was only fair to put that record straight.

I say this because many of our other Chairpersons, in the last week or so, have also taken a lot of their time, together with members of the departmental committees. I know they have sat through committee sittings even at times when the House was sitting, and they have come up with very good recommendations, some of which have been adopted by the Budget and Appropriations Committee.

Particularly, I want to note some of the recommendations that have come with this Budget Policy Statement, especially those around state-owned enterprises. As I said earlier this afternoon when we were considering the National Infrastructure Fund Bill, we enacted the Government-Owned Enterprises Act, or the State-Owned Enterprises (GOE) Act, late last year.

That Act is now in place. We have spoken about reforms in our State-owned enterprises for years without end. I note that this time the Budget and Appropriations Committee has given a timeline within which the Cabinet Secretary for the National Treasury and Economic Planning must expedite the rationalisation, merger, and dissolution of all non-viable or duplicative State-owned enterprises. That is in line with the GOE Act that we passed in this House. If we have State-owned enterprises that are not viable, or some that are duplicative in nature, we should merge them and dissolve those that we do not need so that we are able to save part of the resources that are being appropriated to these state-owned enterprises.

Let me also commend the Committee because, if you go through the schedules, you will see the amount of money that would have gone to many of those State-owned enterprises. They have taken away that money and not appropriated, or rather not planned for the appropriation of that money, when we come to the Estimates and Appropriations Bill later this year. I say this because if we continue financing those non-viable SOEs, then we continue expanding and growing our fiscal deficit. That is why I say the Budget and Appropriations Committee has done well, as they are now trying to bridge the gap in our fiscal deficit. However, we must also ensure that the expenditure rationalisation that we are speaking to here is actualised when the estimates come in. I want to challenge the Chairman of the Budget and Appropriations Committee to make sure that when we come to the Estimates, we maintain the fiscal deficit at the level that we...

(The microphone went off)

The Temporary Speaker (Hon. Omboko Milemba): Very well. Are you okay? You can get one more minute, Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): I was saying that the Chairman of the Budget and Appropriations Committee should ensure that we maintain the same fiscal deficit as we pass in the BPS, and also maintain the expenditures as we pass them here. It is so that we do not receive Budget Estimates at the end of April that are radically different from what we pass in the Budget Policy Statement. That is a concern that this House has raised every financial year. However, Hon. Atandi and your Committee, I know you are up to the task and you will be able to ensure that we achieve that.

Finally, Hon. Temporary Speaker, on the implementation of e-procurement in Government, I see that there is a recommendation from the Committee on it. We must ensure that e-procurement does not become a song that we keep singing. I know there is resistance from many quarters within Government because some people do not want e-procurement, as it helps to stem corruption. People want to continue procuring goods and services in Government in the old way, where deals are entered into and agreements made on who will be awarded which tender. However, with e-procurement, the system is very transparent and accountable. That is what Article 226 of Constitution and the Public Procurement and Asset Disposal Act speak to. We must do this and ensure full implementation of the Electronic Government Procurement (EGP). I can see the Committee already put a timeline that by 30th June 2026, the Cabinet Secretary must report to us the progress of implementation of EGP and the Treasury Single Account.

Thank you.

The Temporary Speaker (Hon. Omboko Milemba): Thank you for retracting the statements on the Woman Representative for Migori, Hon. Fatuma Mohammed, who is your Chairperson and a very diligent attendee of this House. She is currently on Ramadan.

Next is Hon. Oundo.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Thank you, Hon. Temporary Speaker. Let me join my colleagues in commenting on the Budget Policy Statement (BPS) for the

Financial Year 2026/2027, set before us by virtue of the Public Finance Management (PFM) Act that sets out ceiling limits for each sector of the economy.

Ideally, a BPS should set the broad economic objectives a country needs to achieve and probably focus less on the ceilings. As we stand here today, we must make it stark clear to the people of Kenya the state of the economy. This is because, ultimately, the BPS must set the tone and where to intervene the most in order to improve economic growth and the welfare of the people of Kenya.

Hon. Temporary Speaker, I listened to the Chairman of the Budget and Appropriations Committee talk about economic growth. Statistics available indicate that, probably, the economy might only have grown by about 4.9 to 5.2 per cent in 2025. We are waiting for the Report, which I am sure will be released shortly. There are projections that in 2026, we will also grow by 5.2 per cent. That is below the 5.9 per cent the World Bank suggested the economy needs to grow to enable us put as many people as possible in employment bracket and reduce the national poverty level, which is currently at approximately 38 per cent.

The second issue of major importance that has really derailed the economic development of this country is own-source revenue collection. We are hovering at around 16 per cent to 17 per cent of the GDP. Many World Bank reports suggest that for us to make progress and change the structure and growth of this economy, we must push that revenue to 20 per cent of the GDP. I expected the Budget and Appropriations Committee to apply their mind to the policy statements and resolutions to see how best we can address this issue.

Hon. Temporary Speaker, the BPS sets out major goals to be achieved, which are: bringing down the cost of living, ensuring food security, creating jobs, expanding the tax base, improving foreign exchange balances, and fostering high and inclusive growth. When we talk about reducing the cost of living, many times, we are told that the overall inflation rate is hovering at around 5 per cent, which is below the 7.5 per cent. But that statistic masks the reality. As at December 2025, non-core inflation was at approximately 10 per cent. For the purpose of those who are listening, non-core inflation basically focuses on food, transport, and energy, which are the basic things that affect a typical Kenyan every single day.

There is nothing in this year's policy resolutions or BPS that tries to address the issue of the high cost of living. We cannot talk about reduced cost of living while every single month the cost of the food basket increases by 10 per cent, yet salaries have remained stagnant and the economy has remained unchanged. Meanwhile, we are talking about the journey to Singapore. I do not want to use the derogatory terms used by one of my colleagues that the road to Singapore might just end up at Timboroa. As for me and my house, Baba left us at Mt. Nebo, and we look forward to entering Canaan. I am not going to Singapore; it is too far, yet Canaan is just here.

Let me also talk to the proposed policy resolutions. One of the most far-reaching and important ones is the fourth policy which begs, in the Financial Year 2026/2027, that the National Treasury publishes Exchequer releases, including programmes in line with the programme-based budget. This enhances quarterly....

The Temporary Speaker (Hon. Omboko Milemba): The interest on this one is immense. Let us have Hon. Tongoyo, followed by the Woman Representative for Baringo and then we come here.

Hon. Gabriel Tongoyo (Narok West, UDA): Thank you, Hon. Temporary Speaker. At the outset, I stand to support this Motion, moved by the Chairman of the Budget and Appropriations Committee on the Budget Policy Statement (BPS). I take this opportunity to commend the good job the Committee has done, led by my able Chairman and friend. All chairpersons appeared before this Committee. They were so thorough, keen and listened to all committee chairpersons. This is what has resulted in this beautiful document. The BPS that has been tabled is people-oriented. It aligns with the Bottom-Up Economic Transformation Agenda

(BETA) plan, which is the cornerstone of the Kenya Kwanza Government. If well implemented, it will spur the economic growth of this country, making the Kenyan people prosper.

Looking at this, we are on the right track to Singapore. The Singapore dream is real. When you read through the Report, you will appreciate that the critical sectors like health and education have been allocated a good ceiling. Hon. Temporary Speaker, I know you are very keen and passionate about education. The allocation will enable Kenya have the right human capital to continuously drive us towards the Singapore dream.

I want to delve more into the security sector. I commend the good job the Chairman and the Committee have done. The security sector has been enhanced to close to Ksh4 billion. Even though the National Police Service (NPS) has been getting the lion's share, you note that 80 per cent of this budget normally goes to Personnel Emoluments (PEs) and Operations and Maintenance (O&M), hardly leaving about 12 per cent to facilitate the other operations and the staff. If you look keenly, it has had a gap of close to Ksh45 billion. I applaud the enhancement. I see that Ksh1 billion has been allocated to the Directorate of Criminal Investigation (DCI), the Inspector- General, the Kenya Police Service and the Administration Police, respectively. Considering we are headed to the election year, we need to enhance the capacity of the operation of our security officers to ensure we campaign in a peaceful environment. These monies will enable them to achieve their mandate.

Mbagathi County Referral Hospital is among the crucial projects that have been considered. The construction was finished and is up and running. However, it had a pending bill of close to Ksh700 million, which has been allocated for. Additionally, very crucial infrastructure, like air wings for the NPS, has been considered. Currently, they only have three aircraft flying and regrettably one or two pilots. In this BPS, they have expressed that when the budget is enhanced, it is going to consider to continuously train their expert pilots so that they can fly around our security officers. With these few remarks, I support the Motion. If we continue on this trajectory, we are on a good track to Singapore. I support.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Jematiah and then Hon. Mwashako.

Hon. Jematiah Sergon (Baringo County, UDA): Thank you so much, Hon. Temporary Speaker. I also rise to contribute to this Motion on the Floor regarding BPS. From the onset, I declare that I am a member of this Committee, and this is my fourth year sitting down and listening to chairpersons of departmental committees when they are presenting their policy and wishes.

What I have keenly noted is that every year, BPS, as much as it should reflect the wishes of the Government of the day, is highly duplicated. The ambitions of most of the permanent secretaries and heads of departments is not so different. If you look at what we presented in 2024 and 2025, it is almost relative. That means that we have not cracked where exactly we can do better so that we can collect more revenue.

I also discovered and analysed that one of the reasons we have a problem with our fiscal deficit is our Constitution. We adopted and promulgated a very expensive Constitution in this country. If you look at the living standards in Kenya today compared to 10 years ago, there is a lot of difference. Many Kenyans are increasingly becoming poorer and the number of Kenyans in middle-level is shrinking. We have very few Kenyans who can access good health and wealth or generate income comfortably. That shows that at some point we did not sit down and understand whether this Constitution was to help us taking into account all the constitutional offices in this country that depend on taxpayers. It is not possible for us.

I do not want to dim our dream that we are going to Singapore, but something must be done. It is not fair as legislators, as much as we wish well for the Government of the day, to watch counties disintegrate. Roles of the counties are not functional, specifically health. The

people who sat and drafted the Constitution of Kenya are not consumers of the Constitution. They are not in politics. They are experts. We gave them room to draw our Constitution but they are not the people consuming this Constitution every day. That is why they do not feel the pinch. They do not understand the effect of giving us a Constitution that is so progressive, while we are depending on the same Kenyans who cannot sustain the same Constitution.

Hon. Temporary Speaker, as a member of this Committee, I also noted that Article 223, which is a good preserve of the Constitution that we are supposed to use when need be, is a bit misused. People who sit in Government and on echelons of power, for instance, the mandarins in the National Treasury and Economic Planning, use Article 223 as their solution when they have issues without necessarily looking at the bigger picture. That is why we end up not having infrastructure flow.

We need a very intentional way of helping this Government and Kenya at large in making progressive policies in the future. I support Affordable Housing Program (AHP), and I believe that our President will serve the next term. I really urge all of us to rally behind industrialisation as one of the policies that will help this country grow better.

Thank you so much.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Mwashako, then the Chairman of the Departmental Committee on Finance and National Planning.

Hon. Danson Mwashako (Wundanyi, WDM): Thank you, Hon. Temporary Speaker for this opportunity to support the BPS 2026. I am also a Member of the Budget and Appropriations Committee, chaired by our able Chairman, Hon. Atandi. We have spent not less than two weeks looking at the BPS that has been brought to us by the National Treasury and by extension, the Executive.

In this BPS, for the first time, we are talking about ceilings that are in excess of Ksh4.7 trillion. Out of this, the government intends to mobilise in the new financial year 2026/2027, appropriation in aid and ordinary revenue of about Ksh3.5 trillion, again as an expenditure of Ksh4.7 trillion for the same financial year. That leaves us with a deficit of about Ksh1.2 trillion and it is about 5.3 per cent of our Gross Domestic Product (GDP). That tells you that we are already set to borrow Ksh1.2 trillion! Indeed, that should send shivers to all of us. It means either we are putting ourselves in a situation where we want to spend Ksh1.2 trillion that we do not have. Therefore, we have to go out there and borrow. Either we borrow domestically or externally. As a country, we are paying in excess of Ksh1.2 trillion in interest payments every year for what we have borrowed. That tells you if we continue this kind of borrowing, we are not only jeopardising our opportunities to grow this economy, but we are also putting our children and our children's children at a higher risk of always being in debt as a country. Therefore, the Government must think out of the box. It must come up with alternative ways of raising revenue that will meet its expenditure.

We have given Ksh20 billion shillings to KRA. They have asked for this money so that they can improve their tax administration and enhance staff morale. They have also said that they want to make sure that their staff are compensated well as they go out there to mobilise resources. I want to say here that year in, year out, KRA has been missing its targets. Therefore, after giving them Ksh20 billion, we must call them to order at this point in time. That this Ksh20 billion must translate to them meeting their targets. My Chairman is very versed with this; we have to be alert. By the time we get to the first half of the Financial Year 2026/2027, we must not tolerate KRA missing targets anymore. That is where the problem is. Even as they do mobilisation of funds...

The Temporary Speaker (Hon. Omboko Milemba): Hon. Mwashako, did you say that Ksh20 billion would then bring us all the taxes? Proceed.

Hon. Danson Mwashako (Wundanyi, WDM): Correct. Ksh20 billion is a lot of money. You put in a shilling to make money. If we are giving them Ksh20 billion they must meet their

targets. Even as they do this, they must do it in a humane way. As they go out there to look for money and make sure Kenyans pay taxes, they should not harass Kenyans. They should do it in a humane way. They should do it in a manner that Kenyans will be able to pay taxes without being harassed. We are also asking every Kenyan to make sure that they pay their good share of taxes.

We are increasing the infrastructure budget by about Ksh59 billion next financial year. We must state that this infrastructure money should go into finishing all the projects that have been started. There is a feeling by some of the quotas in this country that if you do not support Government, you do not get enough infrastructural support. Therefore, the Ksh59 billion that we are increasing in infrastructure must finish roads across the constituencies. I am talking about roads in my constituency and Voi Constituency. There are new roads that we are constructing in Taita Taveta County and across the country. This money should go into finishing all these projects, regardless of whether the people in that part of the country support the Government or not. Every Kenyan has a right to receive projects equitably so that no part of the country is left out.

As I sit, there is money that has been allocated to health and agriculture. We must continue releasing it to counties so that they stop saying that money remains at the centre.

The Temporary Speaker (Hon. Omboko Milemba): Chairman of the Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): Thank you, Hon. Temporary Speaker. At the outset, I rise to support this Report on 2026/2027 Budget Policy Statement by the Budget and Appropriations Committee. This Budget Policy Statement aligns various resource envelopes with areas that have been part of our pillars of inclusivity and sustainable growth. It is also important to note that the various sectors that have been proposed for additional funding will lead to growth-friendly fiscal consolidation. The investments that are being proposed are increase in agriculture and educational institutions, especially in our Technical and Vocational Education and Training (TVET) institutions. These are key pillars for ensuring that we have growth-friendly fiscal consolidation.

One of the policies in the recommendations of the Departmental Committee on Finance and National Planning is to check if there is adherence to zero-based budgeting, as envisioned by the Budget Policy Statement. It is very important to note that unlike previous Budget Policy Statements where we saw a percentage increment across the various ceilings, we have seen a variance in increases. Therefore, it means that someone did not just sleep on their job and decided to increase the National Budget by 10 per cent across all sectors. We have some which get an increase as high as 30 per cent, some 5 per cent and even others at a negative percentage. This means that we are implementing zero-based budgeting.

As the Departmental Committee on Finance and National Planning, we did proper scrutiny. We intend to even do a bigger one in our activities when we go on recess on the Equalisation Fund. It was envisioned by our Constitution to make sure that those areas that are marginalised, whether it is wholly or pockets of marginalisation across the country, have an affirmative action fund that brings them at par with other areas.

The choice of projects becomes so thinly spread that they are not able to make any impact. If you identify a particular location in a marginalised place in Kitui and you allocate them Ksh3 million for a water project, it is hardly able to sink a borehole or equip it. Therefore, if this money continues to be thinly spread across the country, then a few years towards the Fund's expiry, we may not really bank on the intended impact in making sure that those areas are at par with the rest of the country. I know the recommendations of the Committee on the pending bills, Hon. Chairperson...

The Temporary Speaker (Hon. Omboko Milemba): This is Hon. Temporary Speaker.

Hon. Kuria Kimani (Molo, UDA): Sorry. Hon. Temporary Speaker, I note the recommendations of the Chairperson of the Committee on the pending bills. I kept on mentioning the word “Hon. Chair” when we were moving the amendments in the previous Bill.

Pending bills remain a pain to many business people. For a very long time, you would go to the bank and get Local Purchase Order (LPO) financing. Nowadays, getting an LPO or a Government tender is a cause of bankruptcy and being auctioned. I hope that with the implementation of the change in our accounting policy from cash to accrual, there will be change in the two levels of government, especially the notorious county governments. I hope they will consider a first charge of pending bills in their books. We do not need to audit pending bills, especially after every election. Someone took a loan, supplied goods or services to a government entity or a county government and then they are required to find all manner of verifications. When they were doing these projects, verification was not required. You have seen some people committing suicide and others going on their knees to beg for their money.

Because I can see I am out of time, we have done an extra allocation to Kenya Revenue Authority (KRA) for staff training and medical insurance. We have also relooked at their salaries and made sure there are promotions so that there is no excuse that they are incapacitated, in terms of resources. We have told them that we need an agreement that they are going to match a shilling with another five shillings. For every additional allocation we give them, they are going to be increased in terms of revenue collection, for we cannot continue to have 20 per cent of the Kenyan population paying 80 per cent of our taxes. We must expand our tax base. We need everyone to pay just their rightful share of tax. No shilling more, no shilling less. I beg to support, Honourable Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Kwenya Thuku.

Hon. Kwenya Thuku (Kinangop, JP): Thank you, Hon. Temporary Speaker, for this opportunity to add my voice to the Budget Policy Statement. From the onset, without just stating my position, whether I support or otherwise, I have had my issues with the way we pass resolutions in this House and many other things that we do in the House. We pass them, but then we do not see fidelity to ensure that we live up to what we have passed.

Every year, we have a ritual, and allow me just to use that term ritual, whereby we pass the Budget Policy Statement. I have taken the trouble to compare what we pass as the Budget Policy Statement versus the Budget that we adopt in this House. The variances are not something that we should be happy about. There is no way we are setting ceilings by the time figures are presented to this House in terms of the Budget, yet when the time comes, there is a whole lot of variances, and we are not able to address the same.

The purpose of the Budget Policy Statement is to set ceilings as to how much Ministries, Departments, and Government Agencies can spend, or what they are envisaged to spend, how much revenue we envisage to raise, and how much fiscal deficit we envisage. Every time budget statements are laid in this House, some variances are of monumental magnitude that we need to question. I happen to be a member of the Public Debt and Privatisation Committee, where we oversee debt in this country. Last week, we passed the Medium-Term Debt Management Strategy. It is not something to be pleased about to realise that a whole Ksh1.1 trillion is going to the repayment of interest without even a mention of the payment of the principal amount that has been borrowed.

That being the case, looking at this Budget Policy Statement, as my predecessor, who spoke ahead of me, the Member for Wundanyi, Hon. Danson Mwashako, mentioned, a deficit that we envisage of about Ksh1.2 trillion in the coming Budget is something that should not cause us to sit pretty. As much as we are making many interventions to see that we move away from borrowing, it seems like every fiscal year we will be experiencing these kinds of deficits. I do not think that our debt-carrying capacity is growing in tandem with our appetite to borrow.

Therefore, my ask is, even as we get excited about the figures that we envisage and the numbers as they are, that we are going to spend money to this extent, looking at this Ministry, there is an increment of so much. Even as we get excited, we must know that there is a catch, either in terms of what we call domestic borrowing, or we are going to borrow from our development partners. If things go haywire, just a little, we should thank God that as much as we are dependent on the rains, our economy is agriculture-driven. In the event that anything happens to this country and there is drought, and we have to import food, like what is happening in the Middle East, that is likely to cause an increment in terms of fuel prices. Our economy then becomes something else. Our repayment of debt, because that will have a direct impact on the exchange rate, means that our debt burden increases significantly.

Even as we pass these beautiful figures that excite us from where we sit, and we see the many projects that are going to be funded, we must ask ourselves difficult questions. Are we passing a populist kind of document, or are we doing the right thing? Is this a populist document or are we doing the right thing? As the Leader of the Majority Party said, we must be ready to do the right thing. The populist figures presented here could excite us but is it the right thing or are we going to sit here again during the Supplementary Budget to move figures so that we are able to fund our obligations?

I support, but I think we need to work harder in terms of what we pass in this House. Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Moses.

Hon. Moses Kirima (Central Imenti, UDA): Thank you, Hon. Temporary Speaker, for giving me a chance to contribute to this important Motion.

I support the Budget Policy Statement (BPS) that is before us. The BPS that we have looks so exaggerated compared with what we can raise. Comparing what we have now, the government says that it can finance Ksh3.7 trillion yet we have Ksh4.2 trillion in the BPS. It means that we are going to have a deficit. How are we going to meet that budget deficit? Why can we not do what we can finance? The moment we finance beyond what we can, what is going to happen to deficit that we are not going to have? It means that we are going to borrow. The moment we borrow, we increase the public debt. When we increase the public debt, we burden the current and future generations. We cannot explain why we have a budget deficit. We should be able to live within what we can finance.

The Constitution, which was promulgated in 2010, created many independent bodies. These independent bodies are where we spend funds because they have employees, and they have been given duties which we are supposed to finance through our budgets. If you look at it, we created where we can spend but we did not create where we could get the money from. We have no source at all.

The people who were making the Constitution did not think of how we would generate revenue. If anyone can try to remember, those issues were raised at that time. We have created many avenues where we can spend money but we have not created ways of generating revenue, and that act of omission is haunting us 15 years down the line. That is why we have a budget deficit every year.

It is high time Kenyans thought of what we should do with the existing independent bodies that do not assist this country to grow economically. They are just there socially. They are just there to satisfy the needs of a few characters, maybe within and beyond the country. If you look at it clearly, economically, they do not add any value. A number of them are duplicating work. Look at the agencies that we have. The regional development bodies include the Kerio Valley Development Authority, the Tana and Athi Rivers Development Authority, the Coast Development Authority, among others. The work that these authorities are doing is what the county governments are supposed to be doing. It is what the ministries are supposed to be doing. Work is duplicated, and those bodies still exist.

We, Kenyans, live in self-denial and avoid facing the reality. We should sit down when the country is at peace, as it is now, without chaos and formulate a constitution that can fit and which can at least manage us in a way that we will not live in perpetual debt. What does the Cabinet Secretary of the Ministry of East African Community do? The Ministry performs the same role as that of the Ministry of Foreign Affairs. That is duplication of work.

Lastly, as we prepare the BPS, we should look at the constituencies. Most of those which contribute more in terms of taxes get less. This is because we have to go to the Cabinet Secretary. At the end of the day, you get nothing but a few blue-eyed characters getting a lot of development funds while other constituencies are denied funding. The BPS is very good but it is one-sided. It is looped in one way or the other, but it is not in favour of everybody.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Harrison Kombe, I know you feel punished. It is because you kept on going out and coming in. The next one to speak after you will be Hon. Githinji because he has also been victim.

Proceed.

Hon. Harrison Kombe (Magarini, ODM): Thank you, Hon. Temporary Speaker, for giving me an opportunity to add my voice to the debate on the Budget Policy Statement. Indeed, I want to thank the Hon. Chairman for the good job he has done. This BPS gives me hope of revival of the stalled projects in Magarini Constituency. One of the projects is the construction of the road from Sabaki to Baricho, which stalled at a place known as Sosoni. It is my sincere hope that this BPS will avail the funds required for completing the construction of that road.

Hon. Temporary Speaker, at the same time, I know that it is my turn to have an affordable housing project initiated in my constituency. Therefore, I support this BPS and urge each one of us to support it because in one way or the other, the constituencies will benefit. There are other stalled projects that I have seen captured in the PBS. There are funds for the Irrigation Development and Rehabilitation Programme in this BPS.

Several constituencies have stalled irrigation projects that need to be rehabilitated. If Magarini Constituency is given an opportunity to undertake irrigation, it can become the food basket of the entire Coast Region. This is the best BPS that I have ever come across, and this is attributable to the good heart of the Hon. Chairman. He considered several factors until they came up with this BPS. They have covered the areas that have sufficient water, which is needed for food production. Once we invest in irrigation, we will not need rainfall.

I believe the Chairman has also provided funds for drilling borehole and constructing dams. This will, again, support food production efforts to meet the needs of human beings and livestock. It is unfortunate that livestock die in the Northern Region of Kenya yet there are chances of getting dams and boreholes in that region to provide sufficient water for both humans and animals.

Hon. Temporary Speaker, the technical and vocational training colleges that we have established in the constituencies are supposed to get money for upkeep. The budgetary allocation to the TVETs is sufficient to provide training materials. At the same time, the students will get upkeep. We are also looking at power distribution and transmission. Most parts of this country do not have power. My constituency requires extension and distribution of power to schools, churches and shopping centres.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Gichimu Githinji.

Hon. Gichimu Githinji (Gichugu, UDA): Thank you, Hon. Temporary Speaker, for giving me an opportunity to contribute to this Motion. I had gone for a convenience break when my name was called out. I had to sit through the debate to contribute to this very important Motion on the BPS 2026, which will pave the way for the main Budget, which we will consider towards the end of this financial year.

As it has been mentioned by other Members, the BPS ought to give policy direction and the thinking of the government in its plans for the economy and development programmes. It is also supposed to include the expenditure ceilings for the various government departments, and for the Executive, for purposes of implementing development programmes and shaping the policy direction of the country.

The BPS also focuses on youth empowerment. The National Youth Opportunities Towards Advancement (NYOTA) Programme has impacted the youth of this country. The Programme should continue to empower as many youths as possible to start up their own businesses. Our youths have to navigate through difficult terrains to start businesses. This is a good policy direction, as captured by the Committee. I support it. Since the NYOTA Programme is under the State Department for Micro, Small and Medium Enterprises (MSMEs), it will take our youths to the next level in terms of starting businesses. I am very happy that the President is very passionate about this Programme and many others that seek to empower our youth.

As we look at the BPS, we should also focus on ensuring that the common *mwananchi* feels represented in the Budget, going forward. The President has been very keen, and the government has been very supportive, on subsidising food production so that Kenyans can produce enough. We cannot create as many industries, roads and programmes as possible yet the common *mwananchi* is hungry. It is high time we focused on empowering the common *mwananchi* to produce enough food, especially around this time when most parts of the country are experienced rainfall shortage.

The other issue is industrialisation. This matter should be taken very seriously. Although the amendments brought by the Chair of the Departmental Committee on Trade, Industry and Cooperatives failed or were defeated, I believe it is a high time the views of the Committee are considered. The Committee is currently unable to effectively oversee counties where funds are appropriated, and where the absorption rate is low. The matter should be reconsidered so that we allocate budgetary resources where the people get value for money.

Hon. Temporary Speaker, I would also like to address the proposed tax policies as I conclude...

The Temporary Speaker (Hon. Omboko Milemba): I am sorry, Member for Gichugu, your time is up. Next is Hon. Mawathe.

Hon. Julius Mawathe (Embakasi South, WDM): Hon. Temporary Speaker, I thank you for giving me an opportunity to contribute to this very important Budget Policy Statement.

We must ask ourselves some very important questions as we stand here today. Are Kenyans better off today compared to 10 years ago? Is Kenya better today than it was 10 years ago? Our goal should be to improve the lives of Kenyans as we plan and develop our budget policies. I wonder where we are headed.

We have budgeted for Ksh1.2 trillion over and above the projected revenues. In essence, we are increasing the national debt by Ksh1.2 trillion. Today we are consuming what our children and future generations should be consuming during their time. We are putting them in debt and moving on to leave them in debt. We have already securitised revenue streams like the Fuel Levy. In simple terms, we have today borrowed loans against the future income of the fuel levy. It means young people and future generations will have to repay the debts.

Why can we not live within our means? Why can we not prepare a budget that is within our means? Why not reduce the appetite for money, and the urge to consume what our future generations and children should be consuming? They should be able to make their decisions and agree on their priorities. Why are we consuming their share and leaving them with such a huge debt?

Hon. Temporary Speaker, we have left out very important areas like the Junior Secondary School (JSS) from the BPS that we have put together. There is a shortage of approximately 42,000 JSS teachers.

The Temporary Speaker (Hon. Omboko Milemba): It is 44, 000 teachers.

Hon. Julius Mawathe (Embakasi South, WDM): I stand guided, Hon. Temporary Speaker. We do not require 42,000 JSS teachers. We have a shortage of 44,000 JSS teachers. We also need more teachers in secondary schools and in primary schools. We have gotten our priorities wrong. We should sit to consider our priorities as a country. We need to industrialize and create employment for the youth but the funds allocated to industrialization are inadequate.

I urge fellow Kenyans and Members of Parliament to exercise greater fiscal responsibility and prepare budgets that allow our country to live within its means.

With those remarks, I support.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Owen Baya, the Deputy Leader of the Majority Party.

Hon. Owen Baya (Kilifi North, UDA): Thank you, Hon. Temporary Speaker. This is a good time to contribute to this important debate.

The BPS, whose debate I am happy to contribute to, is a good policy direction for the government. It is important because it provides a fiscal direction for the country, indicating where public funds will be invested as well as the ceilings for the various spending entities. As we populate the Budget, we know the spending ceilings for the ministries and other entities. We know where the money should go.

Hon. Temporary Speaker, a professor taught me that if you want to understand the direction of a nation, look at its budget. If what is said publicly differs from what is in the budget, then there is a problem. However, if what is said publicly is what is in the budget, then one can clearly see the direction. Sometimes we hear the government talking about investing heavily in infrastructure and in ICT, among other sectors. However, when you look at the Budget allocations, you find that there is no congruence. We often hear about the challenge of the youth population bulge but when we look at the Budget, we do not see any provisions for solutions.

The BPS is a very important document. It is upon us, as Parliament, to provide strategic direction because we are the budget-making House. The strategic direction of a country needs to start from here. If we align that properly, we will place the country on the right development path.

Hon. Temporary Speaker, I would like to comment on a few other things. The BPS indicates that KSh9 billion has been allocated to the Equalization Fund. The Equalization Fund is constitutional and has a timeline. We now have a few years to go. What is the realisation in terms of real time development to equalise the country as envisaged by the people that midwifed the Constitution?

My people of the Coast Region woke up very early to vote for the Constitution that we are proud of. One of the reasons they voted for it was because it had the Equalization Fund that was meant to bring them to the same level with other regions in Kenya. However, this House and the Commission on Revenue Allocation (CRA) distorted the revenue sharing formula completely and distributed the money thinly such that we cannot realise what was intended by the Constitution. My people are suffering. They cannot catch up with other parts Kenya. Other parts of Kenya that seemed to have been well developed by past regimes took away the money again to their regions. This is a very sorry state of affairs.

Hon. Temporary Speaker, I ask Hon. Atandi to realign the Equalization Fund through the BPS. That should be his legacy in the few remaining years of implementing the

Equalization Fund. There were 14 counties that were initially listed as underdeveloped and underserved in the past.

Hon. Temporary Speaker, give me three more minutes. I need to make this important point.

The Temporary Speaker (Hon. Omboko Milemba): Let us add him one minute.

Hon. Owen Baya (Kilifi North, UDA): I plead with Hon. Atandi, the esteemed Chairman of the Budget and Appropriations Committee, to push through this agenda. One of his recommendations from this debate should be that the Equalization Fund must be realigned to the regions that were initially supposed to receive the money. That should be a fiscal policy to enable us run away from what the CRA did. The CRA was being cheered on by people who come from the well-to-do counties. The North Eastern and Coast regions and parts of Nyanza region, needed this money but they were robbed. I sometimes feel betrayed on this aspect. Today we were supposed to have water in the marginalised areas within the Coast Region, but we do not have water 16 years after the promulgation of the new Constitution. We do not have good roads, electricity and other things that we wanted to have through the Constitution. We are poorer now. The Equalization Fund must make a big difference to the communities in those regions.

Therefore, the Chairman of the Budget and Appropriation Committee should purpose to realign the Equalization Fund, especially the Ksh9 billion that you have put there so that instead of my constituency receiving only Ksh7 million, it receives its rightful share. Imagine a region that has been marginalised for many years. What does it receive at the end of the financial year? A paltry Ksh7 million. What can you do with Ksh7 million to equalize a region in terms of development? That money goes to only one sub-location. There is something we must do as the 13th Parliament this year. The only thing we need to realign in this BPS is the Equalization Fund. We must state clearly what the money should be used on. We must change the policy and the law so that the money goes back to the areas it was intended for.

Hon. Temporary Speaker, another interesting thing I have noted is that education can be used as a systemic tool for marginalising certain communities. If you give children in some regions better education – and give children in other regions poor education by denying them adequate teachers, capitation and enough resources – you are systemically continuing to marginalise those areas as you elevate other areas. What I would like to see in this BPS is an affirmative action...

The Temporary Speaker (Hon. Omboko Milemba): You have one more minute.

Hon. Owen Baya (Kilifi North, UDA): Thank you, Hon. Temporary Speaker. If we are serious about equally developing this country in terms of human capital and the human resource, we must change the BPS to infuse affirmative action for previously marginalized areas. Can you imagine that, for the first time, my county produced a mean grade 'A' in the Kenya Certificate of Secondary Examination (KCSE) of 2024? In last year's KCSE, it produced only five mean grade 'A'. That is the saddest part. In other parts of the country, a location produces 20 or 30 mean Grade 'A. Imagine a whole county producing one or two or three 'A'. That is a whole county.

If you look at why this is happening, you will realise that there is no proper investment in education in these other regions. If there is no proper investment in education, what do you expect? Do people in those areas get the same opportunities when it comes employment? They cannot. You cannot have equality or equity when you have that kind of state of affairs.

Hon. Temporary Speaker, I am requesting Hon. Atandi to infuse affirmative action in this BPS for his legacy. There has to be affirmative action in areas where students have perennially performed poorly in national examinations. Give them more resources to employ...

The Temporary Speaker (Hon. Omboko Milemba): That is enough, Hon. Baya. You have been very good in your debate.

I now call upon the Mover to reply. Hon. Chairman, remember what Hon. Baya has just told you about education. Ordinarily, I would be speaking from down there. If shortfall of 44,000 teachers is addressed, those teachers could completely revolutionise education in the marginalised areas. On health, it is very important that we get the Social Health Authority (SHA) working because that is the bottom line. Of course, the latest Collective Bargaining Agreement (CBA) for teachers should also be taken on board.

You may reply.

Hon. Samuel Atandi (Alego Usonga, ODM): Thank you, Hon. Temporary Speaker. Let me begin by appreciating the Members who have interacted with this Report. I have listened carefully to their submissions and their concerns. Let me just respond to a few.

With your permission, I would like to start with the concerns raised by Hon. Owen Baya on the Equalisation Fund. Hon. Owen Baya, your concerns are indeed right. They are indeed similar to the concerns that have been raised by Members of the Budget and Appropriations Committee. We interacted with the CRA as part of our preparation of this Report because we were equally concerned about the new sharing formula.

Hon. Temporary Speaker, the new formula of sharing the Equalisation Fund, which was developed by the previous Commission, has distorted its broader vision. If you go to the underdeveloped areas of the country, you will find an allocation for a single project in a particular village. The drafters of the Constitution wanted a Fund that would elevate areas that had been neglected. It is meant to develop huge infrastructure projects that would make a difference. However, you find that we have a formula where Ksh2 million is allocated for a borehole in one particular area, even in the developed parts of the country.

We will allocate resources to the Commission on Revenue Allocation (CRA) to revise the formula quickly. That is what they requested us to do. We will allocate them money in the Budget Estimates to quickly revise the formula so that it can respond to the dictates of the Constitution and its drafters. For your information, we were so angry with the formula. Members of my Committee have not passed the Equalisation Fund appropriations for this financial year because we do not understand the impact of the allocations. That concern has been noted. The Commissioners told us that they were also working very hard to ensure that we revise it.

The other concern that has been raised is on public debt. I assure Members that the Budget we will pass in this House, under the Broad-Based Government, is very responsive. We will manage it with the resources that we have. If you look at the total revenue collection and you isolate the public debt, you will realise that we have a balanced Budget, even though there are concerns about debt servicing costs, which continue to rise. For example, our estimates for debt servicing in this financial year is Ksh990 billion. In this Budget Policy Statement (BPS), we are projecting about Ksh1.1 trillion as debt servicing costs, which is an increase of about Ksh100 billion. This is worrying, but we must know that we are not servicing today's debts but rather those that were procured in the previous regimes. It is our work, as the Government of today, to ensure that we service those debts. I assure you that we are putting in place strategies that will help us ensure that debt does not become a burden.

I want to comment on the revenue generation front. What we want to do with our tax reforms at the Kenya Revenue Authority (KRA) has not been understood properly. The Ksh20 billion which we will allocate to KRA will not be used to harass taxpayers across the country. We want to digitise the KRA systems. The fact that in the modern era, the KRA staff have to interface in revenue collection is something we want to stop. This is because we want to have systems in place. We first want to broaden the tax base. There are so many people who do not pay taxes.

Once we have a system in place to broaden the tax base, we will not need to go to anybody. For example, one of the strategies I would like to share is on tax expenditure, which

cost us about Ksh400 billion every year. These are waivers or zero-rated Value Added Tax (VAT) which does not support us because the manufacturers are the ones who benefit from claiming VAT. We want a system where one can benefit from zero-rating directly when you purchase a zero-rated item.

For example, when you are buying goods from duty-free shops, you will get the benefits on the spot. We want people to get benefits instantly as opposed to companies claiming VAT refunds from us, which eats up to Ksh400 billion annually. If we can save this money, the debt servicing costs will not be a problem. Therefore, we honestly believe the reforms we are recommending for KRA, which involves digitising the KRA systems fully, will help us. We, as Kenyans, must work together to achieve all these gains.

Lastly, we will do our best to ensure that we maintain the fiscal deficit that was approved through the passage by this House of the Medium-Term Debt Management Strategy. It is never our intention to go beyond what has been approved here. We will do our best to remain within those limits. That was a concern raised by the Leader of the Majority Party. We are going to do our best to ensure that we continue to run a responsive budget that meets the expectations of Kenyans.

With those many remarks, I reply.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, we shall defer putting the question to the next sitting.

(Putting the question deferred)

ADJOURNMENT

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, the House stands adjourned until Tuesday, 10th March 2026 at 2.30 p.m.

(The House rose at 8.47 p.m.)

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